4:Grajdanzev--161-162 S-4 (no date) 1942 Formosans
116, 635, 177.63 Japan
636.63

"The most important person in the province is the governor, and in the district, the chief of the district. Their powers and position are similar to that of the governor-general but on a smaller scale. They can impose upon any person without recourse to the Courts a prison term of two months and/or a fine of ¥70. They may ask military force for the maintenance of order, they supervise all administrative bodies in their respective provinces or districts, etc. These bodies are: the secretariat, the bureau of Internal Affairs, [162] bureau of Police Affairs, Police Headquarters, Taxation bureau, agricultural experimental stations, etc."

4:Grajdanzev--162 [2] S-4 (no date) 1942 Formosans
116, 635, 177.63 Japan
636.63

"Since 1920 there has been an advisory body for each provincial governor or district chief, consisting of 20-40 members, half of whom are appointed by the governor-general and half chosen (by indirect election) by the municipal and county council. The governor of the province is the president of the provincial council. The officials administering the counties and whose duties are chiefly of a police character, the mayors of the cities and of rural communities are not elected, but are appointed by the government."

646 part in the legislation or administration of the island."[5]

635 On the local level, the provincial governors were appointed by the Japanese emperor[a] upon the nomination of the governor-general. They supervised all the administrative bodies in their respective provinces. They could impose upon any person, without recourse to the courts, a prison term of two months and/or a fine of ¥ 70. There was a provincial assembly in each of the five provinces. The provincial assembly had forty members, one-half of whom were appointed by the governor-general and one-half of whom were elected by the city, town, and village assemblies. The assembly exercised limited powers over the provincial budget, matters of tax collection, and of general finance. The provincial assembly also elected six members, who together with the provincial governor and vice-governor formed the provincial council. In the districts the assemblies consisted of twenty members. The district assemblies had no budgetary power; their functions were purely advisory.

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[5] Andrew J. Grajdanzev, Formosa Today, New York, Institute of Pacific Relations, 1942, p. 161.

[a] [During Japanese Control 1895-1945--Analyst]

625 committee and inhabitants' teams that exist under the Communist regime in Mainland China today. With the efficient espionage built on the pao-chia system, the Japanese were able to control every household in Formosa just as the Communists are using the inhabitants' organizations to maintain an effective check on every household in Communist-dominated China.

635 After World War II, the Chinese govern-
631 ment took over the administration of Formosa and made the island one of the thirty-five provinces of China. However, the head of the provincial government was named administrator-general, and he was also commander-in-chief of the garrisons. The administrator-general exercised considerably wider power than a provincial governor; he supervised both the work of provincial machinery and the administrative functions assumed by the central government in the province. This arrangement was intended to be a temporary one during the period of the transfer of

631 authority.[10] The administrator-general was
625 assisted by a secretary-general. There were nine departments in the provincial government which included the secretariat, civil affairs, education, finance, agriculture and forestry, industry and mining, communications, police, and accounts. In addition, there were the food bureau, the bureau of monopolies, and the trade bureau.

631 The five provinces of Taipei, Hsinchu, Taichung, Tainan, and Kaoksiung and the three districts of Taitung, Hualien, and Penghu were converted into eight hsien [counties], each under a hsien-chang [magistrate], and the nine cities -- Keelung, Changhua, Tainan, Chiayi, Kaohsiung, and Pingtung -- in the five provinces were brought under the direct control of the provincial government at Taipei. Two new cities, Yilan and Hua-lien, were established and were placed under the

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[10] T'ai-wan Min-cheng Ti-i-chi [First Collective Report on the Civil Affairs of Taiwan], published by the T'ai-wan Sheng Hsing-cheng Chang-kuan Kung-shu Ming-cheng ch'u [The Department of Civil Affairs of the Office of Administrator-General], Taipei, May 1946, p. 104.

66 election of hsien and city assemblies was
63/ completed before April 7 and the provincial assembly (called the Provincial Political Council) was formally inaugurated on May 1. Although the functions of the local assemblies were principally consultative, they represented a great improvement over the Japanese system in two ways: first, the base for suffrage had been extended to include a greater number of voters, and, secondly, all the members of the assembly were elected. The election of district heads, magistrates, and mayors was deferred, because the authorities asserted the people at that time lacked administrative experience to undertake the work.[12]

635 After the local insurrection of February
655 27, 1947, the provincial administration was brought into conformity with that of other provinces of China. The post of administrator-general was abolished. A provincial council of fourteen members or commissioners, with the governor as chairman, was established. Half of the provincial commissioners were chosen from local residents, the Formosan Chinese. The monopoly bureau, whose restrictive activities were immediately responsible for the outbreak of riots, was

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[12] Ibid., p. 103.

635 abolished. A new tobacco and wine bureau was 665 created and placed under the finance department. A camphor company was formed under the department of reconstruction (industry and commerce), and a bureau of supply replaced 666 the trading bureau. In 1950 the number of provincial commissioners was further increased to 23, of whom seventeen were Formosan Chinese. Local elections were held in 1950 and 1953-54. Members of assemblies of rural districts, towns, cities, and hsien and heads of villages, rural districts, and towns, such as mayors and magistrates, were all elected by direct vote. Members of the Provisional Provincial Assembly[13] were elected indirectly by the various hsien and municipal assemblies in 1950. In the second election of 1953-54, they were directly elected by the people. (Details of the organizations of the provincial and local government as well as the popular elections, will be considered in another chapter.)

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[13] "Local self-government in Taiwan is, for the time being, confined to the hsien and municipal level. Since the provincial government is still under the direct control of the Central Government, the principal council is known as the Provisional Provincial Assembly; China Handbook, 1954-55, Taipei, China Publishing Co., 1954, p. 469.

45:Stanford U. S-4, 5 1956 AD 1 Formosa
~~AD 1~~ AD1

Annex "A," Subparagraph 2b. 2,
Political Background

PROVINCIAL AND LOCAL GOVERNMENT AND POPULAR ELECTIONS

I. THE PROVINCIAL GOVERNMENT

631 635 Formosa was made a province upon its retrocession to China after World War II. The Taiwan Provincial Government holds jurisdiction over the main island of Formosa, twelve smaller islands in adjacent waters, and the sixty-four islands of the Penghu group known to the Western world as the Pescadores. The total area of these islands is 13,880 square miles and the population, excluding the military, was 8,695,843 in February 1955.[1]

The capital of the province is Taipei, which is also the capital of the Nationalist Government of the Republic of China in refuge. The provincial capital, according to a recent air defense plan, will move to Taichung when the necessary construction work in the latter city is completed.[2]

634 Taiwan Province is divided into sixteen administrative areas called hsien (a hsien is roughly comparable to a county in the United States) and five municipalities under the direct jurisdiction of the provincial government. The

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[1] Report of the Department of Civil Affairs, Taiwan Provincial Government.

[2] According to a Taipei broadcast on Dec. 27, 1955, provincial capital was to move to Taichung in April 1956.

45: Stanford U. S-4, 5 1956 AD1 Formosa AD1

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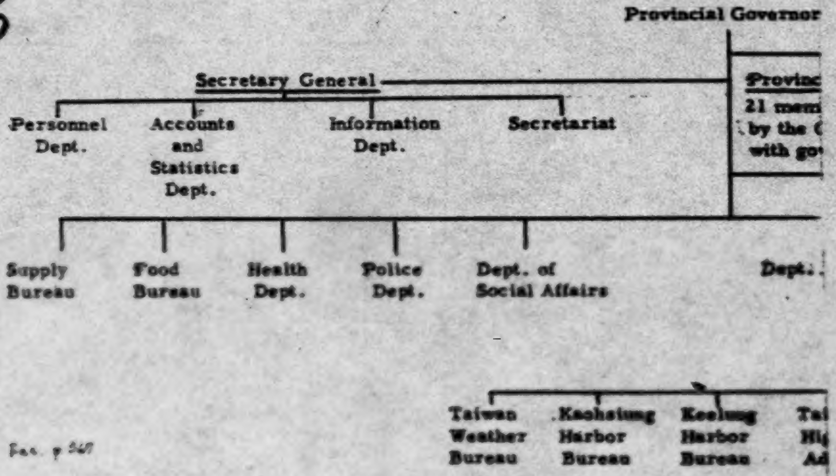
STRUCTURAL CHART OF TAIWAN


Provincial Governor
Secretary General
Personnel Dept.
Accounts and Statistics Dept.
Information Dept.
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Supply Bureau
Food Bureau
Health Dept.
Police Dept.
Dept. of Social Affairs
Dept.
Taiwan Weather Bureau
Kaohsiung Harbor Bureau
Keelung Harbor Bureau
Tai
Hi
Ad

Fac. p 367

[Facing p. 367 - part a]

45: Stanford U. S-4, 5 1956 AD1 Formosa AD1

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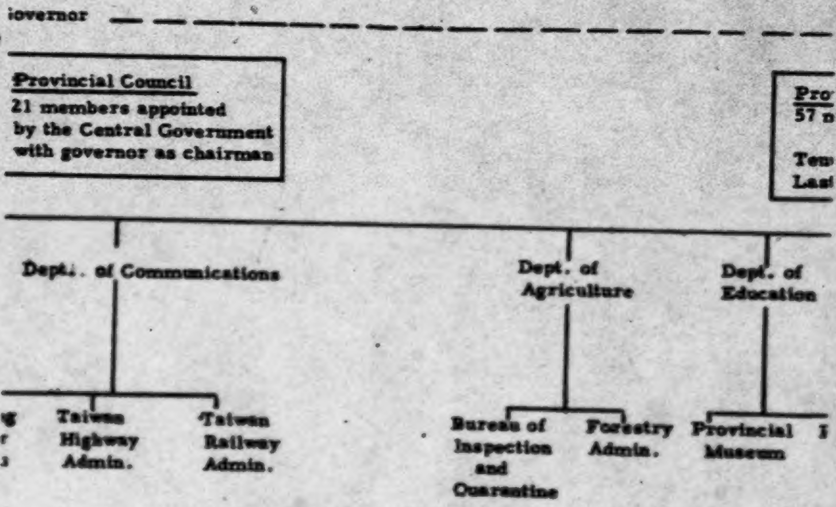
AIWAN PROVINCIAL GOVERNMENT



iovernor
Provincial Council
21 members appointed
by the Central Government
with governor as chairman
Pro
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Tem
Last
Dept. of Communications
Dept. of Agriculture
Dept. of Education
Taiwan Highway Admin.
Taiwan Railway Admin.
Bureau of Inspection and Quarantine
Forestry Admin.
Provincial Museum

[Facing p.367 - part b]

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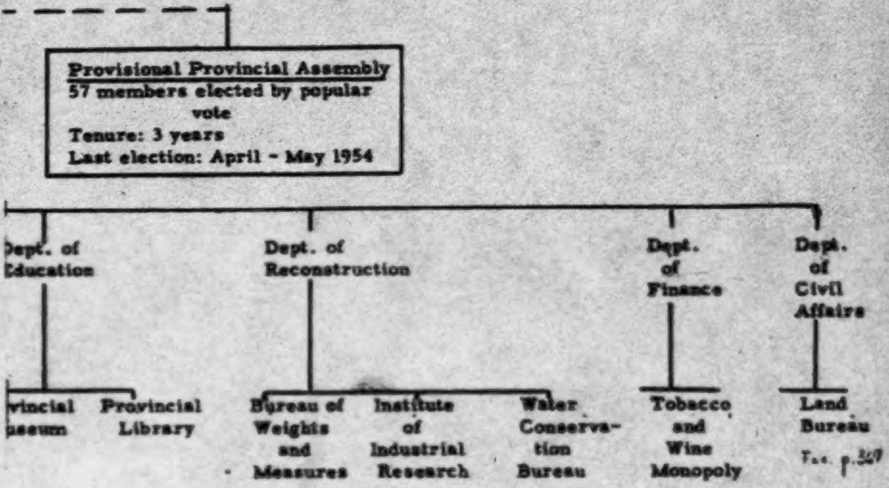
Provisional Provincial Assembly
57 members elected by popular vote
Tenure: 3 years
Last election: April - May 1954
Dept. of Education
Dept. of Reconstruction
Dept. of Finance
Dept. of Civil Affairs
vincial useum
Provincial Library
Bureau of Weights and Measures
Institute of Industrial Research
Water Conservation Bureau
Tobacco and Wine Monopoly
Land Bureau
Fac. p.367

[facing p. 367 - part C]

634 following *hsien* are on the western slope of the mountain ranges: from north to south, Taipei, Taoyuan, Hsinchu, Miaoli, Taichung, Changhua, Nantou, Yunlin, Chiayi, Tainan, Kaohsiung, and Pingtung. Three *hsien* cover the eastern slope of the mountains; these are Yilan, Hualien, and Taitung. The Pescadores form a separate *hsien*, Penghu. Two of the five municipalities, Keelung and Taipei, are located at the northern tip of the island, the remaining three, Taichung, Tainan, and Kaohsiung, are on the western side of the island. The scenic resort, Yangmingshan, where President Chiang Kai-shek resides, is a northern suburb of Taipei and forms a special administrative district.

632 The sixteen *hsien* are each divided into *chen* (towns) and *hsiang* (groups of villages or rural districts). *Chen* and *hsiang* are further subdivided, respectively, into *li* (wards) and ts'un (villages). The five municipalities are dividied into *ch'ü* (districts or sections) and *ch'ü* are divided into *li*. A *ts'un* (village) is composed of 100-200 households and a *li* (ward) of 150-300. The smallest community organization is called *lin* (neighborhood) and consists of 6-15 households. In the province of Taiwan there are 82,290 *lin* which form 3,066 *ts'un* and 3,489 *li*. These *ts'un* and *li* combine to form 77 *chen* and 235 *hsiang*.[3]

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635 At the head of the provincial government is the governor, who is the chairman of the Provincial Council. The Taiwan Provincial Council is composed of twenty-one members, six of whom are concurrently commissioners of provincial departments.

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[3] *Chung-hua Min-kuo Nien-chien* [*Yearbook of the Republic of China 1953*], Taipei, 11/30/53, p.643.

631 636 The Provincial Council meets once a week to listen to the reports of the various departments of the provincial government and discuss proposals brought up by the governor or the provincial departments. Although resolutions are passed or submitted to the Executive Yuan in the name of the Provincial Council, it appears in actual practice that the powers of the members of the council are limited to deliberation and final decisions do not depend on majority rule. The governor passes or vetoes each resolution.

According to the Chinese Constitution,[4] each province is to enact its own self-government law and the provincial governor is to be elected by the people of that province. In Formosa, since the provincial self-government law has not been enacted, local self-government is at present confined to the hsien and municipal levels. The provincial government remains under direct control of the central government. The governor is nominated by the president of the Executive Yuan and appointed by the president of the Republic. The department heads and members of the provincial council are selected by the governor and recommended to the Executive Yuan for appointment.

The Taiwan Provincial Government has a secretariat, headed by a secretary-general, and a number of administrative departments, each

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[4] Constitution, 1947, Articles 112 and 113.

63/636 under a commissioner or a director. The provincial legislature, called the Provisional Provincial Assembly, is the representative body of the people.[5] In 1951 its members were elected by the hsien and municipality assemblies. In 1953 the law was altered to permit direct election by the people.[6] The present assembly, composed of 57 members, was elected by popular vote in April-May 1954. A hsien or municipality with a population of 150,000 or less is entitled to elect one member to the assembly. If it has a population exceeding 150,000, it is entitled to elect one additional member for each additional 150,000. If the remaining population exceeds 75,000, the hsien or municipality may elect another additional member. [562] When a hsien or a municipality elects four or more representatives, one of the members must be a woman. In the present assembly there are six woman members. The autochthonous tribes living on the plains elect one representative, those living in the mountains elect two representatives. The tenure of office of the present assembly is three years.[7]

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[5] So called because the provincial government is under the direct control of the central government, and the provincial council does not exercise full power.

[6] Regulations governing the organization of the Provisional Provincial Assembly, promulgated by the Executive Yuan on August 22, 1953.

[7] The tenure of the First Provincial Assembly, elected in 1951, was two years.

63/ Nominally the Provisional Provincial Assembly
636 possesses broad legislative powers. The provincial government has to present to the assembly for discussion and decision all measures affecting the rights and obligations of the people, the provincial budget, and the disposal of public property. However, the prerogatives of the assembly is circumscribed by a provision in the organic law of the assembly that in the event of a disagreement between the provincial government and the provisional provincial assembly, the former may request a reconsideration.[8] Should the assembly uphold its original resolution, the provincial government may submit the dispute to the Executive Yuan for final judgment. Moreover, when the assembly is in recess, the provincial government with the approval of the Executive Yuan may take any emergency action and report the matter to the assembly at its next session. Since the assembly meets for a period of ten to fifteen days every six months,[9] the provincial government is not seriously restricted by the assembly. The Executive Yuan has the right to dissolve the Provisional Provincial Assembly and order a new election, if it considers the assembly is acting in contradiction to national policy.[10]

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8. Article 23.

9. In case of necessity a session may be extended, but the extension may not exceed seven days.

10. Article 24 of the Regulations Governing the Organization of the Taiwan Provisional [illegible]vincial Assembly.

II. HSIEN AND MUNICIPAL GOVERNMENTS

[636] 634 The province of Taiwan is divided into 16 hsien and 5 municipalities. At the head of each hsien government a hsien-chang (magistrate) and each municipality is headed by a shih-chang (mayor). In the hsien or municipal government, there are a number of bureaus in charge of civil affairs, finance, education, economic reconstruction, police, land, and public health. The number of bureaus varies according to the importance of the district and the size of its population. Each hsien or municipality has a representative body of the people called the hsien assembly or municipal assembly. The subdivisions of hsien and municipality are chen, hsiang and ch'ü, each headed by a chief. They have each a representative body of the people called chen or hsiang assemblies.

631 Local self-government was promulgated in Formosa in April 1950. All members of the councils of towns and rural districts, members of hsien and municipal assemblies, the heads of towns, rural districts, mayors of municipalities, and hsien magistrates were elected by direct suffrage. A second election took place in 1954. The term of office for magistrates, mayors, and heads of towns, rural districts,

634 of 1950, a candidate for magistrate or mayor had to be at least thirty years of age. In an election held in 1954, other qualifications were added: to be a candidate for the office of magistrate or mayor, a person must either be a college graduate or have passed a senior civil service examination or have met the requirements set by the Examination Yuan. Secret ballots were cast in all elections. The order of the candidates on public notices and on the ballots were determined by lot. For the benefit of those voters who could not read, pictures of the candidates were printed next to their names; thus the voters would have no difficulty in voting correctly for the candidate of their choice.[12]

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635 President Chiang Kai-shek proclaimed three principles on which the government was to formulate the regulations governing elections: a law-abiding spirit, an avoidance of waste, and the election of the good and the capable.[13] Accordingly, candidates were not permitted to spend more than a certain amount of money in campaigning and were forbidden to bribe their constituents or make a campaign issue of the private lives of their opponents. Supervisory offices were established by the Taiwan Provincial Government, which declared that stern measures would be taken against those who "use force, threat or other illegal means

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[12] China Handbook 1954-55, Taipei, China Publishing Company, 1954, p. 473.
[13] Ibid., p. 470.

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to interfere with the election campaign of the candidates, obstruct the casting and counting of votes, and hamper the performance of duties by those in charge of the election affairs."[14] Generally speaking, the elections were conducted in an orderly manner. No report of election "irregularities" has appeared in newspapers. Mr. Hsü Fu-lin, acting chairman of the Democratic Socialist Party, in answer to the query of an American newspaper correspondent, said that there had been no discrimination against the candidates of his party during the election campaign. A British newspaperman observed that "if Formosan elections cannot be regarded as free by the standards of the West, they have nevertheless been considerably more democratic in character than anything yet known in the Far East outside Hong Kong. The secret ballot prevails, but no candidate fundamentally opposed to the regime would have the temerity to stand for election."[15]

[61] The Civil Affairs Department of Taiwan Provincial Government reported the population of Taiwan Province to be 8,438,016 at the end of 1953. This number included 741,016 foreign-born (Mainlanders) but excluded military

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14. A General Report Made by Governor O.K. Yui before the Fifth Session of the Provisional Provincial Assembly of Taiwan on Dec. 14, 1952, Taipei, Dept. of Information, Taiwan Provincial Government, 1954, p. 31.

15. H. Maclear Bate, Report from [illegible]ormosa, London, Eyre & Spottiswoode, 1953, p. 23.

666 personnel, According to the regulation govern-
635 ing the election and recall of assembly members Mainlanders who have resided in Formosa for six months or more have the right to vote and stand for election. Members of the police and military forces and students may vote but are not eligible candidates for office.[16] The number of qualified voters at the end of 1953 was 3,715,552, approximately 45 per cent of the total civilian population.[17] The ratio of actual voters to qualified voters at the time of the two popular elections held in Formosa was as follows:[18]

Election	Year	Percentage of Participation
Provisional Provincial Assembly	1954	74.41
Hsien and Municipal Assemblies	1950	80.73
Hsien and Municipal Assemblies	1953	79.72
Magistrates and Mayors	1950	80.87
Magistrates and Mayors	1954	75.33

The first Provisional Provincial Assembly was elected by the hsien and municipal assemblies After the first election, the percent of partici-

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[16] Tai-wan Sheng Cheng-fu Kung-pao [Official Gazette of Taiwan Provincial Government], Taipei, Secretariat of Taiwan Provincial Government, Autumn issue, No. 48, August 25, 1953, p. 611. [17,18 - next page]

666 pating voters decreased slightly, but the actual
635 number of people who cast their votes in subsequent elections increased. For instance, in the election of hsien and municipal assemblies the total number of votes cast in 1950 was 2,769,696; the number of votes cast in 1953 totalled 2,961,941. Of a total of 1,846 candidates, 860 members of the hsien and municipal assembli were elected in 1953. Seventy-four members were women.

631 The educational background of local
635 legislators is much lower than that of the members of the Legislative Yuan. Over ninety per cent of the members of the current Legislative Yuan are college graduates; of the 860 members of the hsien and municipal assemblies, only 202 are graduates of universities or technical colleges, 342 are graduates of high schools, and the remainder attended primary schools or were privately tutored.

The occupations of the members of local legislatures have been reported as follows:[19]

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[17] Number of civilian population on Formos in February 1955 was 8,695,843; number of qualified voters: 3,997,226, according to report of Civil Affairs Dept. of Taiwan Provincial Government.

[18] The China Handbook 1954-55, pp. 474-76.

[19] Reports of the election offices, Dept. of Civil Affairs, Taiwan Provincial Government.

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Farming	273
Mining	15
Manufacturing	31
Transportation	16
Trade	228
Professionals (doctors, lawyers, etc.)	126
Civil Service	104
Others*	67

* Including 39 housewives and 17 retired industrialists and merchants

Of the 860 members of the hsien and municipal assemblies, 806 are native-born and 54 are Mainlanders. The magistrates and mayors elected to office in 1954 are, with two exceptions, all native-born. The exceptions are Kuan-i Hsieh, the mayor of Keelung, the largest port city of Taiwan Province, and the magistrate of Penghu hsien, Yü-lin Li. Hsieh and Li came to Formosa after World War II. The preponderance of Formosa-born candidates elected to the local governments and local assemblies suggests that the Nationalist Government is willing to encourage self-rule in Formosa. After the local election of 1950, one American observer concluded: "That the Taiwanese are making headway toward local political responsibility is clear." 20

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20. Fred W. Riggs: Formosa Under Nationalist Rule, New York, Institute of Pacific Relations, 1952, p. 52.

631 At the provincial level, 16 of the 21 members
635 of the provincial council are native-born, and the secretary-general, the commissioners of the provincial departments of civil affairs and reconstruction, and the directors of the department of health and the food bureau are natives of Formosa. It seems likely that as Formosa-born persons gain experience in government they will demand broadened jurisdiction for the provincial assembly and the election of a Formosan as governor of the province.

642 the central government may assign to them.
631 The central government has the power of redemarcating the administrative divisions of the country at any time. For instance, before the last world war, Manchuria [illegible]isted of three provinces, but after the war the number of provinces was changed to nine. In normal times, the central government retains legislative and supervisory powers over practically all matters, and so far no occasion has arisen to call for the redefining of relations between the national and local governments.

631
635 On Formosa, since the loss of Mainland China to Communism, a peculiar situation has been in existence. Taiwan Province has become the only territory over which the national government of the Republic of China exercises effective control. Two levels of governmental mechanism -- the central government and the provincial government -- have been operating side by side. Except the departments of foreign affairs and defense, administrative functions of all other departments of the central government are overlapping with those of the provincial government. Many foreign visitors are under the impression that most of the administrative powers of the provincial government are being exercised directly by the central government and that only limited residual powers are left to the provincial government. But the facts do not seem to

631 substantiate this contention. For instance,
635 in the realm of finance, all taxes with the
exception of customs duties, are collected by
the provincial government. The Bank of
[652] Taiwan, a provincial bank, takes over all the
functions of the central bank. It issues
currency notes, supplies foreign exchange,
and acts as the fiscal agent both of the
national and provincial governments. With
871 regard to education, only the Taiwan National
631 University is under the supervision of the
635 Ministry of Education of the national government. All other schools in the province,
including the College of Engineering and
the Normal University are under the direct
jurisdiction of the provincial government.
Actually the different ministries in the
national government have undergone so much
consolidation after they had been moved to
Formosa, that most of them are now maintaining only a skeleton staff.[4]

631 The relative importance of the Taiwan
635 provincial government does not, however,
diminish the highly centralized authority of
President Chiang Kai-shek, for the provincial

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[4] There are now 12,000 employees in the national government vs. 113,000 in the provincial government. Time, op. cit., p. 34.

631 government enjoys no autonomous power.
635 The governor and all the personnel in key
positions of the provincial government are all
chosen by the President or at least appointed
643 with his approval. Just like the men in high
posts of the national government and the
military command, only those considered
absolutely loyal are appointed by him.
President Chiang Kai-shek has often been
criticized in his choice of personnel for
rating personal loyalty to himself above
everything else. This should not occasion
surprise if one is familiar with Chinese history.
Ever since the earlier Han Dynasty (202 B.C. -
23 A.D.) Confucianism has been the dominant
political philosophy of China. Confucius
was born in a time of growing political and
social unrest. He sought to re-establish order
and peace by advocating a beneficent
monarchy with all its subjects loyal to the
sovereign. Through the milleniums, in the
interest of maintaining order and peace as well
as perpetuating their rule, Chinese rulers
honored and supported Confucius. The
emperors always singled out personal loyalty
as the criterion for appointment, and President
Chiang is merely upholding a deep-rooted
political tradition.

Then, China became a republic in 1912. For sixteen long years there were incessant strifes created by different military factions, and chaos gripped the country. With a thousand cadets of the Whampoa Military

697 an infirmary. Efforts have been successful in preventing epidemics and infectious diseases among the prisoners.

697
165 The number of deaths[8] in prisons and detention houses has been progressively reduced during the past five years although the number of inmates has remained more or less constant. The following table attests to the improved conditions in Formosan prisons.

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DEATH RATE IN FORMOSAN PRISONS

At End of Year	Number of Inmates		Total No. of Deaths During the Year
	In Prisons	In Detention Homes	
1949	2,909	1,691	70
1950	2,619	1,209	23
1951	3,667	2,043	19
1952	2,906	1,954	13
1953	3,021	2,346	8
1954	—	—	—

*/ Yearbook of the Republic of China, 1953, 1954.

II. THE POLICE SYSTEM

625
635 The Ministry of Interior of the Executive Yuan exercises general supervision over the

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[8] In 1946 there were 863 deaths caused by epidemics in Formosan prisons. The number of deaths in prison in 1947 was 222 and in 1948, 156.

625 635 police system of the entire country, but the actual administration of police affairs is delegated to the provincial government.[9] In Taiwan Province, there are twenty-one police bureaus (one in each *hsien* and city, and one in Yangmingshan Special District), 90 branch bureaus, 202 police stations, and 1,268 substations, all of which are under the direction of the police department of the provincial government.

625 The functions of the police, as enumerated in the Police Law, are: (a) to issue police order; (b) to punish contraventions of police regulations; (c) to assist in the investigation of crimes; (d) to search, detain, or arrest suspects; (e) to execute administrative orders; (f) to preserve order, to regulate traffic, to protect health, to take census, to guard against fire, disaster, moral turpitude, and defacement of private and public properties.[10] The punishment for violating police regulations is limited to a fine under NT$100 or a detention of not more than fourteen days. Criminal cases are sent to law courts for prosecution.

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[9] Police Law 1953, Article 3.

[10] *Ibid.*, Article 9.

648 Files Office (Tzu-liao Shih), attached to the
625 President's Office (Tsung-t'ung Fu). There are security agencies, called investigation and statistics bureaus, in the Ministry of Defense, the Kuomintang, and the Ministry of the Interior (in charge of police). These agencies operate secretly and are known to have made arrests, conducted trials *in camera*, and even imprisoned and executed political offenders.

Formosa's public security agency is the Peace Preservation Corps, organized in 1949 for the express purpose of maintaining peace and order on the island. Its main objective is to suppress all subversive activities before they can threaten national security. Detachments of the corps are located at strategic points for the protection of railways, bridges, waterworks, power stations, mines, and industrial plants. Mountainous areas are regularly patrolled by members of the corps, and no one is allowed to enter the mountain regions without express permission. The Peace Preservation Corps also regulates all arrivals and departures from the island to prevent smuggling as well as the infiltration of Communist agents.

[635] The governor of Taiwan Province (ex officio) is nominally the commander of the Peace Preservation Corps, but in fact the corps receives orders directly from Chiang Ching-kuo.

In 1950, an underground Communist organization, whose membership included a deputy chief-of-staff, the wife of the general in

636.10 ---------636.88

4:Grajdanzev--24-25 S-4 (no date) 1942 Formosans-1-3
116, 162, 168, 656, 177.16 Japan
636.16

"Racial Composition of the Population

Since Taiwan is a colonial territory, it is of more than ordinary interest to study the evolution of the racial composition of its population.

After more than forty years of Japanese domination the island thus remains Chinese in character. In 1938 Chinese made up 94 per cent of the population, while the Japanese, who constituted about 2 per cent of the total in 1905, now made up 5.3 per cent. Presumably this figure does not include Japanese soldiers stationed in Taiwan. At the time of the occupation [25] of the island the Japanese entertained high hopes for Japanese immigration

Racial Composition of The Population of Taiwan (1905-1938)

	Oct. 1, 1905 Census		Oct. 1, 1935 Census		Dec. 31, 1937		Dec. 31, 1938	
	Thousands	%	Thousands	%	Thousands	%	Thousands	%
Chinese	2,979.0	97.8	4,990.1	93.86	5,261.5	93.85	5,392.8	93.88
Japanese	59.6	1.93	271.4	5.12	229.3	5.33	308.8	5.37
Foreigners*	8.2	.27	54.1	1.02	46.2	.82	43.4	.75
Total	3,046.9	100.0	5,315.6	100.0	5,609.0	100.0	5,747.0	100.0

* Almost entirely Chinese who are citizens of the Republic of China.

Note:—For 1935, 1937 and 1938 'Chinese' includes also aborigines, numbering about 140,000.

4:Grajdanzev--24-25 S-4 (no date) 1942 Formosans-2
116, 162, 168, 656, 177.16 Japan
636.16

into Taiwan. Climatic conditions are suitable, the density of the population at that time was relatively low and there was no doubt that the island could support much larger numbers than were there. Subsidies were granted to settlers in general and to fishermen in particular and it was thought that in this way the island would be speedily 'japanized.' The results of the first seven years had already brought disappointment:

	Total Japanese arrivals	Total Japanese departures	Remainder
1898	13,214	3,078	10,136
1899	20,743	7,903	12,840
1900	20,995	11,291	9,704
1901	17,841	14,054	3,787
1902	13,821	11,478	2,343
1903	15,892	13,149	2,743
1904	11,564	12,155	591

After the rush of the first three years, when the Japanese administration of the island was organized and many persons were needed for the governmental apparatus, the number of immigrants fell sharply. As was shown above, the growth of the Japanese population

4:Grajdanzev--24-25 S-4 (no date) 1942 Formosans-3
116, 162, 168, 656, 177.16 Japan
636.16

on the island was not due to immigration alone, but also to natural increase. After subtracting this natural increase, the average annual number of immigrants is only 4,000 to 5,000."

4:Grajdanzev--25-26 S-4 (no date) 1942 Formosans
116, 168, 464, 656, 609, 177.16 Japan
636.16

"Since the occupation of the island, the Japanese authorities have forbidden the free immigration of Chinese. Coolies were [26] admitted in limited numbers each year for seasonal work but they were compelled to return to the mainland after the expiration of their contract. Besides the coolie class some Chinese could enter Taiwan for business purposes with the permission of Japanese consular authorities, but they remained Chinese citizens and were treated as foreigners. These two groups of Chinese make up most of the 'foreigners'. The fall in their numbers in 1937 and 1938 is connected with the Sino-Japanese war, for many then preferred to return to China and the total number of 'foreigners' is now comparatively small. Thus the purpose of the Japanese authorities —to exclude the Chinese from the island—has been accomplished, but this has been more than offset by the natural increase of the Chinese population."

4:Grajdanzev--27-28 S-4 (no date) 1942 Formosans-1-2
Japan

116, 167, 177.16
636.16

"Below we give a short survey of the efforts of the Japanese government to colonize the island with Japanese settlers. These were to be of two kinds: (a) farmers, (b) fishermen. Before 1907 no plans for colonization could be worked out because the country was not yet pacified and Japanese immigrants could not appear in the countryside unless supported by armed forces. In 1907 the government elaborated and put into force a plan for the emigration of farmers to Taiwan. Grants of land—about 38,000 hectares—were made to thirty-eight settlements, but only eight settlements were actually made, and even these ended in failure. Taiwan attracted many Japanese adventurers (see figures of immigration for 1898-1904 above) who sought a paradise in the new possession. Finding no outlet for their talents, they became restless, and the government-general decided to repatriate them to Japan, and the would-be farmers departed with them.

The second attempt, started in 1910, was relatively more successful. The government gave to immigrants in eastern Taiwan land, houses, roads, schools, hospitals, irrigation works, etc. on condition that they would repay all advances in ten years, but demanded that each immigrant should have been an independent farmer in Japan and have at least ¥250. The limitations were imposed because the official explanation of the first failure was that the immigrants had no money of their own and were poor tenants in Japan. Under this scheme only 3,368 persons were settled in three different villages. These villages still exist, but after twenty-five years have only 3,117 inhabitants. Conditions of

4:Grajdanzev--27-28 S-4 (no date) 1942 Formosans-2
116, 167, 177.16 Japan
636.16

life on the land cannot have been too attractive.

Since 1915 the Taito Sugar Company, with the support of the government, has tried to attract Japanese colonists for the production of sugar cane. The Taito Colonization Company was established and became active, but all its efforts were unsuccessful, and up to 1936 only seventy-eight families among those who came under these schemes remained on the land. Yanaihara explains this failure by the low price for sugar cane offered by the company and by the difficulties of specialized [28] farming, but a more fundamental cause was that in a colonial society a mass immigration can succeed only if the immigrants lower their standard of living to that of the natives.

In 1931 the indefatigable government-general worked out a new plan of immigration, and up to 1936 brought to Taichu province 156 families, giving each 12.25 acres of land, a monetary subsidy and loans free of interest. Some of the immigrants were settled near Takao."

4:Grajdanzev--28 S-4 (no date) 1942 Formosans
116, 167, 311, 609, 177.16 Japan
636.16

"It should be noted that, even after the pacification of the island, Japanese immigrants were treated in a hostile manner by the Chinese population. Under this pressure many farmers were compelled to leave their villages, some of them renting their land to Chinese and becoming absentee landowners. The total number of Japanese occupied in agriculture in Taiwan in 1938 (including members of their families) was 8,065.

The colonization schemes for fishermen were not much more successful. In 1909 the government-general began its campaign, promising subsidies and other advantages. But those who answered the call preferred some occupation in Taiwan other than that of fisher fishermen. In 1926 in Taihoku province 49 families (172 persons) were settled and most of them continue to work there. Since 1932, the government has again made efforts to attract fishermen to Taito province, and, up to 1937, 54 families had settled there. The plan for 1938 and 1939 foresaw the settlement of 25 families for each year. Such are the very modest results of the continuous efforts of the Japanese government.

Takahashi is of the opinion (1) (and his opinion reflects the ideas prevailing among Japanese economists) that there is little room for the Japanese in Taiwan as long as the island remains an agricultural region; hence his belief that Taiwan should be industrialized."

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1. See his Gendai Taiwan Keizairon, pp. 8-9.

4:Grajdanzev--28-29 S-4 (no date) 1942 Formosans
116, 168, 609, 701, 177.17 Japan
636.17

"Greater numbers of Japanese in Taiwan are necessary both for military reasons and for the speedy 'japanization' of the islanders. The military considerations advanced by Takahashi [29] are very interesting for they show that, in spite of forty-five years of Japanese domination, there is still a certain anxiety concerning the loyalty among the Japanese rulers of the Chinese. The island is highly militarized and accustomed to martial discipline and yet the Japanese still consider it necessary to strengthen it militarily. But even Takahashi puts greater stress on the 'japanization' of the natives than on the Japanese immigration. After forty-five years of Japanese domination, after their continuous efforts to increase the number of Japanese there and to 'japanize' the natives, the island remains predominantly Chinese in character, the Japanese forming only about five per cent of the total population, and this state of affairs is bound to continue as long as the natural increase of the Chinese remains at its present high level."

15: U.S. Navy--23 [8] (no date) 1944 Formosans
116, 167, 221, 443, 177.16 Japanese
636.16

"The Japanese put an end to unregistered immigration and emigration when they took over the island in 1895.

All Chinese wishing to immigrate were required to register with a Japanese consular agent in China, and to register in Taiwan after arrival. Actually, a considerable clandestine unregistered traffic continued by small boats plying the Straits.

Until 1937 there was a seasonal movement of labor. Workers crossed from the mainland to work through the tea, sugar or pineapple seasons. After they had made enough to live on for some months, they returned to their legal homes on the China coast. A considerable number of merchants and day laborers engaged in urban enterprises were accustomed to pass back and forth between Canton and Taiwan, entering principally through Takao. As of July, 1935, there were on the island 11,327 households of Chinese holding Chinese citizenship, totaling 41,651 persons. Since 1937 (the outbreak of the China War) seasonal migration has been suspended."

15: U.S. Navy--23 [10] (no date) 1944 Formosans
116, 167, 511, 609 Japanese
636.16

"Immigration of Japanese agricultural workers has been encouraged both by the Government, directly, and by the development companies in which the Government has large interests. Attempts have been made to establish agricultural villages here and there, in the hope that such settlements would help advance the assimilation and control program. These settlements have been a failure. Thirty-eight were projected, eight were actually established, and all had failed by 1910. The native Formosan-Chinese populace was too hostile and the competition in living standards too great for the Japanese immigrants to bear. A second colonization plan, begun in 1910, succeeded in establishing three villages with a total of 3,368 persons settled. These have not flourished, though they continue to exist. They now have fewer settlers than in 1910.

The Government has made several attempts to attract and establish Japanese fishermen, but with practically no success, despite the government subsidies granted to them."

15: U.S. Navy --23-24 (no date) 1944 Formosans
116, 167, 441, 464, 177.16 Japanese
636.16

"The majority of Japanese immigrants go to the island for [24] administrative work or business management. Japanese officialdom some years ago arrived at the reasonable conclusion that since the increase in the Formosan population was proportionately so much greater than the increase of the Japanese, only a program of industrialization (with accompanying influx of Japanese technical labor) would serve to strengthen substantially the Japanese population of the island. Presumably, large numbers of Japanese have immigrated to manage the new technical establishments known to have been established on a fairly large scale in and around Takao, near Shinchiku, and elsewhere since 1941."

15: U.S. Navy--32 [7]
116, 464, 167, 177.16
636.16

(no date) 1944

Formosans
Japanese

"The industrial program which has been developing since 1930 has received special stimulus since the China war broke out. Initially it had been retarded by an acute shortage of skilled or semi-skilled labor. To remedy this, a program for encouraging the migration of skilled and semi-skilled Japanese workmen from Japan to the island was inaugurated in 1937 by the Taiwan Government. The mining industry suffered most severely, as indicated by the fact that the percentage of increase in labor employed in the mines is greater than the percentage of increase in production."

15: U.S. Navy--32 [10] (no date) 1944 Formosans
116, 166, 464, 177.16 Japanese
636.16

"The labor shortage is especially acute on the east coast where major industrial developments are planned for the next few years. To alleviate the shortage a bureau has been set up which attempts to engage workers on the west coast, send them around to the east, and there settle them in advantageous places.

In January, 1939, an employment bureau organized in Karenko (capital ¥200,000), brought 500 labor immigrants from the west coast of the island and put them to work in the Japan Aluminum Company's factory. They were given land (1/2 acre to each house) and were required to raise hogs, for there is a shortage of pork on the East Coast. A government bureau plans to continue this resettlement work."

15: U.S. Navy--21 [5] (no date) 1944 Formosans
116, 157, 167, 625, 177.18 Japanese
636.18

"The Japanese are exceptionally thorough and successful organizers, and have brought under their own control the economic life of the island. The police force and many of the urban commercial people came originally from Southern Kyushu and Shikoku, and speak the local dialects of those regions. The Japanese of the metropolitan areas in the homeland speak frankly of the hardness and unattractiveness of the colonial Japanese character in Taiwan."

15: U.S. Navy --21 [9] (no date) 1944 Formosans
116, 563, 177.18 Japanese
636.18

"Many Japanese are sincere in their effort to raise Formosan-Chinese living standards and honest in their desire to have the island become a real part of the Empire in spirit as well as in political name and military bondage. Hundreds of Japanese doctors, teachers, and minor officials have devoted their lives to the welfare of Taiwan. Unfortunately they have been a minority and have had little influence on the makers of over-all policy."

15: U.S. Navy--22 [4] (no date) 1944 Formosans
116, 198, 484, 563, 177.19 Japanese
636.19

"By making use of the Japanese language necessary in business, education and communication, the administrators of the island have created the foundation of a unity unknown in pre-occupation days. The ease of travel throughout the island is tending to blur rapidly the lines of cultural differences among the educated Formosans. All three Chinese groups are represented among the settlements along the east coast, to which many have been encouraged to move by Japanese interests."

15: U.S. Navy --24-25 (no date) 1944 Formosans
116, 191, 212, 872, 186, 177.19 Japanese
636.19

"Japanese, spoken by the 323,148 Japanese, is the official language of the island, and is spoken by a high percentage of the middle-aged and younger Formosan-Chinese in urban centers, but by few of the older agricultural community. About 42 percent of the Formosan-Chinese children attend elementary public schools to learn the Japanese [25] language and doctrines. They learn very little Japanese and at the same time lose the opportunity, when young, to learn something of written Chinese. Hence these younger Chinese are technically 'literate', and can understand orders issued in simple Japanese. Japanese is supposed to be compulsory for all who know it, and it is true that Japanese has become the lingua franca of the island. It may be said that Japanese, as the official language, will be understood by someone in any large gathering of people or in every village outside of the most remote savage territory, although the Formosan-Chinese avoid using it when they can."

15: U.S. Navy --25 (no date) 1944 Formosans
116, 191, 177.19 Japanese
636.19

"Japan is engaged in the stupendous task of changing the language of nearly six million people. While the Formosans continue to use their native tongue in social and business intercourse with one another, it is undoubtedly true that the number of those who have some knowledge of Japanese is increasing at a very rapid rate."

15: U.S. Navy --25 [2] (no date) 1944 Formosans
116, 162, 191, 177.19 Japanese
636.19

"The percentage of Japanese-speaking Formosans is said to have increased from .4 percent in 1905 to 8.5 percent in 1930, to 37.8 percent by 1937 and to be over 45 percent at the present time.

Table 20: Numbers of Formosan men and women who speak Japanese.

	Men	Women	Total	Percentage of total Formosan population
1905	10,801	469	11,270	.4
1915	50,143	4,194	54,337	1.6
1920	87,897	11,168	99,065	2.9
1930	394,677	70,750	365,427	8.5
1937	---	---	---	37.8
1938	---	---	---	41.9
1939	---	---	---	45.6 "

15: U.S. Navy —25 [3] (no date) 1944 Formosans
116, 191, 554, 662, 177.19 Japanese
636.19

"No information is available as to the standard used in determining knowledge of Japanese. Consequently the official figure of 45.6 percent may be an exaggeration. It is nevertheless true that the campaign to promote the use of Japanese has greatly intensified since the beginning of the China 'Incident' in 1937.

Various methods are used. Town and village police stations record the names of inhabitants considered conversant with Japanese. Periodical inspection of homes and oral questioning determines eligibility for the book. Whenever a Formosan needs recourse to the local authorities for licenses, business purposes, appeals, or other matters, reference is invariably made to the 'blue book'. If the applicant's name appears in the book, he is usually granted his request; if not, he is refused. Obviously there is room for graft and the shutting of official eyes in judging eligibility for the book. A foreigner with a wide acquaintance among Formosan-Chinese states that he knows of a number of instances where a man of some financial influence in the community is listed in the 'blue book' although his knowledge of Japanese is decidedly open to question. Nevertheless, it is understood that the system, only recently inaugurated, is producing results. Formosans have come to realize that without a listing in the book privileges and opportunities are denied."

15: U.S. Navy--25 [4]
116, 191, 624, 177.19
636.19

(no date) 1944

Formosans
Japanese

"The hosei or head of the Ho must have a knowledge of Japanese. One can not now hold office or participate in local meetings or assemblies without being able to speak Japanese, the 'national language.' Newspapers daily publish reports from various localities emphasizing local pride in the spread of Japanese. An example is an item from Rato, a town in Taihoku Province, stating that a forthcoming election would remove from town and village offices every non-Japanese speaker. A census in Heito, Takao Province, revealed that only 32 percent of the Formosan population knew the national language. To remedy the situation, a school was opened for every ten homes and instruction was to be given by members of the young men's association to persons over 10 years of age."

15: U.S. Navy--25 [5] (no date) 1944 Formosans
116, 191, 208, 554, 177.19 Japanese
636.19

"Use of Japanese only is permitted in banks and government offices. Even though a Formosan speaks with a clerk who is also Formosan, the language must be Japanese. If the former is unable to converse, an interpreter is required. To stimulate language learning, insignia bearing the legend 'This household speaks the national language' are placed above the door of Formosan homes. Other signs such as 'Speak only the national language' are seen frequently in buses and public places.

A commandant of the Keelung Base said to the press, 'The basis of Japanization is dissemination of the national language. To do this, I believe we must immediately mobilize the motherhood of Taiwan under the slogan 'Raise our children in Japanese'. Even though one may know the national language, to use Taiwanese at all does not befit a 'soldier of the Imperial Army.'"

15: U.S. Navy--26 [2] (no date) 1944 Formosans
116, 191, 177.19 Japanese
636.19

"While the people of Taiwan are far from using Japanese in their daily life, knowledge of the language is increasing rapidly. Within a few generations it would doubtlessly supplant Formosan-Chinese among the educated to a large degree."

15; U.S. Navy--26 [4] (no date) 1944 Formosans
116, 198, 873, 177.19 Japanese
636.19

"English has been taught in the private mission schools and in the government schools for many years. It has been a compulsory subject in all middle and higher Schools, i.e., affecting the student age-group from 13 years upward. Pidgin English is not generally known; those who speak it will be found among the clerks and compradores who have worked for foreign firms.

The Imperial University at Taihoku, the High School at Taihoku and the Higher Commercial Colleges at Taihoku and Takao have trained small numbers of Japanese and Formosan students in Malay, Dutch, German, Thai, French, and two dialects of Chinese."

4:Grajdanzev--139 S-4 (no date) 1942 Formosans
116, 171, 208, 658, 177.20 Japan
636.20

"Analogous to the war expenditures are the related expenditures on propaganda. In this group we included expenditures on broadcasting, including construction of new stations, on 'social education,' and on the 'spiritual mobilization of the population'. There may be some who wonder whether the expenditures on radio-broadcasting stations may be properly considered as expenditures on propaganda. But while in Japan the users of radio receivers must pay a certain annual fee, in Taiwan broadcasting is free because the government considers it a powerful instrument for 'spiritual mobilization' and for the Japanization of the population."

4:Grajdanzev--85 S-4 (no date) 1942 Formosans
116, 221, 226, 433, 471, 177.22 Japan
636.22

"Fishing, which did not demand an elaborate equipment, was an important auxiliary occupation for the Chinese farmers, especially in slack seasons. The sea around Taiwan is rich in fish and the Chinese are expert fishermen. It is natural, then, that fishing has become an important element in the economy of the coastal farmers. But at the time of their conquest of Taiwan the Japanese were not interested in the fisheries because at that time the seas around Japan proper and near Kamchatka had not been sufficiently utilized. Petty regulations, the taxing of fishermen, and other measures brought a decline in this ancient Chinese occupation and only recently, when the Japanese felt a need for more fisheries, and when their huge corporations with their mechanized equipment turned to the South, did the government become interested in fishing. The results were the same as in all other spheres of the economic life of Taiwan: Japanese fishing grew at the expense of Chinese."

4:Grajdanzev--68 S-4 (no date) 1942 Formosans
116, 231, 492, 177, 23 Japan
636, 23

"Although it has been said that Taiwan is well stocked with domestic animals and fowls, this requires some qualification. The animals bred are for draft purposes and for production of foodstuffs. In Taiwan either the water buffalo or some type of cow is used for draft purposes. Horses, donkeys and mules are almost entirely absent. The immigrant from Fukien had no place for the horse in his economy, but the Japanese government, in its efforts to supply the army with horses, worked out a ten-year plan and a thirty-year plan for Taiwan. According to the first, the number of horses was to be increased to 9,000; according to the second presumably to be applied simultaneously, the number of horses was to be raised to 110,000 head. In a region where rice occupies sixty per cent of the area, horses cannot be used for work and it is hardly conceivable that the poor farmers of Taiwan will begin to raise Arabian and Anglo-Norman horses as the plan foresees (1). The actual number of horses in 1938 was rather more than 300 while forty years ago there were two hundred to three hundred horses."

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1. Taiwan Jijo, p. 479; figures for the plans are taken from Sekai Nenkan, 1939.

4:Grajdanzev--70-71 S-4 (no date) 1942 Formosans
116, 231, 177.23 Japan
636.23

"The government also expends much effort in encouraging sericulture. Its experts point out that conditions in Taiwan [71] are very favorable for this industry: the mulberry tree has leaves the year round, there are no pests as in Japan, and production costs are low. But the farmers do not seem to take willingly to this occupation, for in 1933 the value of raw silk produced in Taiwan was ¥74,000 whereas in 1937 it had fallen to ¥50,000."

4:Grajdanzev--45-46 S-4 (no date) 1942 Formosans
116, 241, 651, 661, 177.24 Japan
636.24

"Beneficial as these irrigation works are, in many cases they curtail the farmer's freedom to select his crops. The government often compels the farmers to raise crops which they do not want to raise (as, for example, sugar cane). Takahashi tries hard to prove that this compulsion, which in Taiwan is [46] called simply exploitation (sakushu), is to their benefit, (1) but his arguments are not convincing.

1. Takahashi, op. cit., p. 280."

4:Grajdanzev--46-47 S-4 (no date) 1942 Formosans-1-3
116, 171, 241, 454, 433, 177.24 Japan
636.24

"(3) Increased agricultural production may also be achieved by raising yields per unit of area. Below we give a comparison of yields in Taiwan and in Japan, and in the case of sugar cane, the area of which in Japan is too small, a comparison with Hawaii and the Netherlands Indies, where conditions are similar to those in Taiwan, while groundnut production in Taiwan is compared to that of Kwantung.

Crop Yields In Quintals Per Hectare in Taiwan
and Other Countries.

		1928-32 average	1933-37 average	1937
Wheat	Taiwan	8.7	9.7	10.7
	Japan	17.7	19.1	19.1
Barley	Taiwan	6.4	8.0	7.4
	Japan	19.9	20.6	20.9
Maize	Taiwan	11.3	10.8	11.6
	Japan	14.1	14.7	16.7
Rice	Taiwan	22.2	25.1	26.1
	Japan	35.0	36.8	38.6
Sugar cane	Taiwan	684.4	654.4* Four-year average 1933-36.	...
	N. E. I.	1,308.0	1,374* Four-year average 1933-36.	...
	Hawaii	1,349.4	1,515* Four-year average 1933-36.	...

4:Grajdanzev--46-47 S-4 (no date) 1942 Formosans-2
116, 171, 241, 454, 433, 177.24 Japan
636.24

		1928-32 average	1933-37 average	1937
Soya beans	Taiwan	5.6	5.7	6.2
	Japan	10.0	10.0	11.2
Groundnuts	Taiwan	16.2	17.1	18.4
	Kwantung	19.0	20.7	...
Sesamum	Taiwan	3.5	3.9	4.2
	Japan	7.3	7.5	7.5

The yields per hectare of the most important plants in Taiwan's economy are therefore thirty to fifty per cent less than in Japan, or, in the case of sugar, in Hawaii or the Netherlands East Indies, and yet all available sources mention the fertility of the soil in Taiwan, while climatic conditions are at least as good as in Japan or the Netherlands Indies.

The explanation lies in the primitive methods of Taiwan [47] agriculture, including the slight use of fertilizers. Judging by the cultivated area and the number of farmers, the island should have at least 300,000 to 400,000 ploughs, but in 1929 (1) almost all (except 18,315 'improved' ploughs for deeper ploughing and 614 of the European type) were of the

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1. The last data available, Nogyo nenkan, p. 642.

4:Grajdanzev--46-47 S-4 (no date) 1942 Formosans-3
116, 171, 241, 454, 433, 177.24 Japan
636.24

primitive Chinese pattern. While in Japan proper an average of ¥170 to ¥180 per hectare is spent each year on commercial and home-prepared fertilizers, in Taiwan less than half that sum is spent for this purpose. These two examples—ploughs and fertilizers—for which quantitative data are available show clearly that Taiwan farming is under-capitalized, especially when we consider that the farmer is obliged to pay ¥2,000 per ko for good land.

This does not of course mean that there is no improvement in the agriculture of Taiwan. The government devotes much effort to increasing the productivity of the farms and the farmers are eager to respond. Yields are now higher than they were twenty years ago, as one may see from the tables given later in this chapter. But progress is slow. It is doubtful whether yields in Japan in 1895—the time of the annexation of the island—were higher than in Taiwan, whereas now they are considerably greater and relatively Taiwan is lagging further and further behind."

4:Grajdanzev--52-53 S-4 (no date) 1942 Formosans
116, 243, 311, 656, 177.24 Japan
636.24

"Thus from 1905 to 1920 the area under rice expanded slowly and the yield per ko showed no increase, while from 1920 to 1935 the area under rice increased by thirty-seven per cent and the yield per ko of paddy increased also by thirty-seven per cent. The explanation of this difference does not lie in Taiwan, but in Japan proper. After 1920 the leaders of the Japanese government became worried over the rice supply of the Empire. The rapid growth of population and the insufficiency of domestic production brought a sharp increase of rice imports from abroad. From the annual average of ¥16.6 million in 1913-17 Japan's imports of rice rose to an annual average of ¥72.0 million in the period 1918-22.

Besides the difficulty of balancing payments abroad, the government did not like this dependence on foreign supplies in time of war. A program for the increase of rice production in Japan proper. Korea and Taiwan was worked out and the necessary measures applied. such as the construction of dams and canals for irrigation purposes, the enlargement of the net-[53] work of agricultural experimental stations, the distribution of small subsidies to new producers of rice as well as to those who would produce new varieties of rice selected by the stations. The fact that these measures were quite effective shows not only the efficiency of the administration but also the ability of the Chinese farmers to act in response to economic factors."

4:Grajdanzev--54-55 S-4 (no date) 1942 Formosans -1-2
Japan
116 243, 435, 655, 177.24
636.24

"Space does not permit us to analyse the rice situation in detail. The table below shows the rapid process of displacement of other kinds of rice in Taiwan by horai.

Crop Area Under Various Kinds of Rice in Taiwan
(In thousand ko)

	1905	1915	1920	1925	1930	1935
Common Taiwan rice	393	423	417	370	370	263
Clutinous, round	24	39	53	81	68	73
Glutinous, long	...	...	...	...	19	18
Horai	0	0	0	72	135	305
Total	417	462	472	523	592	659

Yields of Various Sorts of Rice in Taiwan were as Follows
(1930-35 average)

	(koku per ko)
Common Taiwanese	12.1
Round glutinous	10.2
Long glutinous	11.7
Horai	14.6

As may be seen, the difference is quite pronounced—from 2.5 to 4.4 additional koku per ko, or an increase in yield of twenty to forty per cent as compared with other

4:Grajdanzev--54-55 S-4 (no date) 1942 Formosans-2
116, 243, 435, 655, 177.24 Japan
636.24

varieties.

But on the other side, the production costs of one ko of common rice in 1925 were Y223.8, while for horai the amount was Y342.0, and—what is also very important—whereas thirty-four per cent of the production costs of common rice consisted of the farmer's own labor, home-prepared fertilizers (which the farmer does not buy) etc., these costs in the production of horai amounted to only twenty-two per cent. In other words a much greater part of the expenses on horai consisted of sums paid for commercial fertilizers, etc. and as a result, the farmer does not receive so much profit from horai, but is compelled to plant it because he cannot sell his own [55] kind of rice in the Japanese market. The expansion of area under horai is therefore not so much a sign of prosperity, as it would at first sight appear, as a sign of the growing need of the farmer for money to pay taxes, to pay for irrigation, and to pay for the tobacco which he formerly produced himself (and is now a state monopoly)."

4:Grajdanzev--57 S-4 (no date) 1942 Formosans
116, 249, 474, 177.24 Japan
636.24

"The culture of sugar cane and the development of the sugar industry is considered one of the most spectacular achievements of the Japanese administration in Taiwan. Here we shall discuss only the culture of sugar cane; the sugar industry as such will be examined later in the section on industry. Sugar cane is an indigenous culture and was not introduced into Taiwan by the Japanese. The Dutch found it there in the 17th century and encouraged it. Before the advent of the Japanese it was produced by Chinese producers' cooperatives, which well deserve a special investigation because of their original character. They not only raised sugar cane, but also extracted the sugar in their old-fashioned mills. The industry had so developed that in 1893, ninety-eight million pounds of sugar were exported and probably not less than that amount was consumed in Taiwan, so that total production may be estimated at about 200 million pounds. This amount was not reached again until twenty years later. (1) With the coming of the Japanese the guerilla war continued for several years and ruined the industry."

1. Japanese sources say that at the time of Japan's occupation of Taiwan the annual output was only about 80,000,000 kin (104 million pounds). This can hardly be true if in 1893 exports alone equalled 98,000,000 pounds. In 1880 exports equalled 141.5 million pounds.

4:Grajdanzev--57-59 S-4 (no date) 1942 Formosans-1-2
116, 249; 439, 654, 177, 24 Japan
636, 24

"At the time of annexation the Japanese [58] government was anxious to improve their 'unfavorable' balance of trade with foreign countries, and the cultivation of sugar cane in Taiwan appeared to be an excellent means of doing this. Japan's imports of sugar at that time were in excess of twenty million yen—about ten per cent of her total imports, and at times equal to the 'unfavorable' balance of trade. Sugar cane is grown in Japan, but climatic conditions and limited area make it impossible to increase the total production significantly. At the most it can supply only a small percentage of the domestic demand for sugar. But Taiwan with its tropical climate could be successfully used for this purpose.

As early as 1896 seeds of improved types of sugar cane were imported from the Hawaiian Islands. In 1898, Kodama, the Governor-General of Taiwan, and his energetic Governor Goto began conferences with Japanese financiers on the question of investment in the sugar industry of Taiwan. A special investigation of the outlook for sugar cane culture in Taiwan was entrusted to Dr. Inazo Nitobe, who presented his report in 1901. In this report Dr. Nitobe recommended that the irrigated area and the area under cultivation be increased through various measures of encouragement, assistance, and direct government action, the establishment of sugar research stations, and the introduction of improved varieties of sugar cane, while other recommendations were made concerning sugar manufacture. The government followed these recommendations, established experimental

4:Grajdanzev--57-59 S-4 (no date) 1942 Formosans-2
116, 249, 654, 439, 177.24 Japan
636.24

stations, imported new varieties of sugar cane from Hawaii and Java, and paid special subsidies and grants to the manufacturers and farmers to induce them to follow its policy. Up to March 31, 1932, it had paid about thirteen million yen in subsidies. Moreover, in 1903 a relatively moderate protective tariff on sugar imported into the Japanese Empire was introduced, the rate being 0.8 sen per kin (0.6 kg.) on No. 20 standard and higher. This rate was increased to 4.65 sen per kin in 1911 on No. 21 standard and higher, to 5.3 sen in 1927 on No. 22 standard and higher, and to 7.15 sen in 1932. As a result—this is the official version—wealth came to the sugar [59] industry and to the island 'and this has resulted in the present industrial prosperity'."

4:Grajdanzev--60-61 S-4 (no date) 1942 Formosans-1-2
116, 249, 433, 458, 654, 177.24 Japan
636.24

"There can be no doubt as to the importance of sugar cane cultivation and of the sugar industry in Taiwan and the degree of success achieved by the Japanese government and Chinese cultivators.

However, a close examination of the table [See page 59, category 116--analyst] reveals some interesting features. It was pointed out how much effort was expended by the officials on the improvement of sugar cane culture. But in spite of all the efforts of the government and of the experimental stations the yield per ko did not show any signs of improvement during the first fifteen years. If the development was as steady as is officially described, why then was the increase of production up to 1921 taking place exclusively as a result of the increase in the planted area?

Further, the increase in sugar production may also come through the increase of sugar content in the juice of the sugar cane. It is interesting to note that in this respect too, little, if any, improvement is noticed up to 1922, but that after that year the sugar content rose from 9.5 per cent in 1922 to 13.2 per cent in 1935 and in this year was considerably higher than in Java or Cuba (12.3 and 11.6 per cent respectively). Finally, the table shows that after the peak of production (and area) was reached in 1917-18, production fell, then rose slowly up to 1928-29, fell sharply by almost thirty per cent and then began to rise again.

4:Grajdanzev--60-61 S-4 (no date) 1942 Formosans-2
116, 249, 433, 458, 654, 177.24 Japan
636, 24

The explanation of these fluctuations is that the Taiwan sugar industry (and, as a consequence, also the cultivation of sugar cane) passed through several crises of the most severe character. 'Overproduction' is a word familiar to this industry, and to the planters also. Of course, it must be emphasized that this 'overproduction' is of a special character, because the consumption of sugar in Japan is relatively low and, though physically the demand of the population for sugar [61] is not satisfied, there is insufficient purchasing power available to buy it.

All this is very important for the problem in hand. The government's efforts were probably as great from 1900 to 1922 as afterward, subsidies were given more lavishly than later on, but the results in the first twenty years were rather meagre. In other words, the development was due not so much to the government's and the manufacturers' efforts as to some other factors inherent in the development of the economy of Taiwan and Japan."

4:Grajdanzev--62-63 S-4 (no date) 1942 Formosans
116, 241, 312, 471, 177.24 Japan
636.24

"By putting irrigation works at the service of the farmers (at a price) the government, the local bodies, and the companies [63] impose a condition that a certain part of the newly-irrigated area should be devoted to sugar cane. This stipulation may be to the advantage of the farmer or to his disadvantage, but it is clear that he is not free to decide."

4:Grájdanzev--65 S-4 (no date) 1942 Formosans
116, 245, 177.24 Japan
636.24

"Tea is an old Taiwan crop brought by the Chinese emigrants from Fukien. It was flourishing before the coming of the Japanese and in 1893 about twenty-one million pounds of tea (about sixteen million kin) were exported. It is largely a plantation culture and is now almost completely in Japanese hands, but exports under Japanese rule have not shown improved results. The total area under tea is 45,000 to 46,000 ko. In 1927 the Mitsui Gomei Kaisha alone held 17,000 ko of tea plantations and the Taiwan Takushoku Seicha Company 1,000 ko (1). Japanese plantation holdings are now probably much larger.

1. Yanaihara, op. cit., p. 34.

Tea plantations, which are chiefly in Taihoku and Shinchaku prefectures, occupy hill slopes and generally do not compete with other agricultural plants for area."

4:Grajdanzev--66-67 S-4 (no date) 1942 Formosans
116, 245, 255, 464, 471, 177.24 Japan
636.24

"Pineapples were cultivated in Taiwan before the occupation of the island by the Japanese, but only after the introduction of canning did the industry begin to expand rapidly. The fruit is raised on the hill slopes and thus does not compete with [67] cereals or sugar cane. The authorities estimate that more than 20,000 ko can be used for pineapple plantations, but the area under cultivation is now only 9,000 ko. Data on production are given below.

Pineapple Production in Taiwan

	1921	1935	1936	1937	1938
Area under pineapples (1,000 ko)	1.3	7.0	8.0	8.9	9.9
Crop (1,000,000 kin)	8.9	87.1	110.2	107.8	116.0
Value (1,000 yen)	367	2,626	3,129	3,115	...
Value of exports of (¥1,000) canned pineapples	865	7,306	5,857	7,600	10,620*

* Exports of canned and fresh pineapples.

Sources: Nogyo Nenkan; for 1938, Taiwan Jijo.

Production, chiefly of the plantation type using hired labor, is chiefly in Japanese hands."

4:Grajdanzev--67-68 S-4 (no date) 1942 Formosans
116, 248, 433, 656, 177.24 Japan
636.24

"As will be seen, cotton does not occupy an important place in Taiwan's economy. But it does play an important part in Japanese imperial policy. As was mentioned, the Japanese authorities did not spare efforts to encourage the production of sugar cane and rice in Taiwan, not because it was in the interests of the island, but because it benefited Japan proper. Since 1927 the sugar industry has suffered from overproduction and in 1935-36 another spectre appeared on the Japanese horizon--the overproduction of rice. A discussion began as to how the production of rice in Taiwan might be limited. A rice monopoly was suggested and was later applied, but for a somewhat different purpose. Instead of rice, the authorities proposed to encourage the production of textile fibers and oilseeds in Taiwan and, partly owing to the shortage of foreign exchange in time of war, more attention was given to cotton than to anything else. A plan was worked out for the production of 100 million kin of cotton at the end of the ten-year period beginning with 1937, on an area of 100,000 ko, i.e. more than ten per cent of the cultivated area of the island. The first year's crop (according to the Japan Year Book, 1939-40 [68] is estimated at about 6 million kin, or, already six per cent of the goal. We do not know on what the data of the Japan Year Book are based, but in Taiwan Jijo, published in December 1939, the plan provided for an area of only 50,000 ko in 1946 and the production of only 35 million kin. According to the same source, there were 4,800 ko under cotton in 1938 and the crop was 1,816,983 kin--as one may see, very far from 6 million kin. The average yield was 2.26 quintals per hectare--a low figure for a region of intensive agriculture."

4:Grajdanzev--71 S-4 (no date) 1942 Formosans
116, 171, 241, 311, 433, 511, 177.24 Japan
636.24

"It is worth while to observe that in our investigation of agricultural production in Taiwan the figures analyzed were averages, and no question was raised as to whether these averages may be considered representative. The one-sided development of agriculture was emphasized, especially the cultivation of rice and, to a lesser extent, of sugar cane. It is known that one-sided development of agriculture results in soil exhaustion unless sufficient quantities of fertilizers are used, but it was shown that the application of fertilizers is practised on a much smaller scale than in Japan. It was shown also that cultivation is on a low level, yields are low, technique is backward, the draft animal supply is insufficient and per capita consumption of cereals is considerably lower than in Japan.

The expansion of rice production which took place was due chiefly to the increase of the irrigated area and to the increase of acreage from which two crops can be obtained —largely through irrigation and improvement of fields. In the production of sugar cane considerable success has been achieved in increasing the yield and sugar content of the cane. However, in the production of both rice and sugar cane the farmers received a disproportionately small share of the gains."

4:Grajdanzev--149 [21 S-4 (no date) 1942 Formosans
116, 433, 439, 177.24 Japan
636.24

"In 1939 about 81 percent of Taiwan's exports consisted of agricultural raw materials and products manufactured from them such as sugar, tea, and tobacco. In fact the island is practically an agricultural appendage of the Japanese economy."

15: U.S. Navy--33 [2]
116, 651, 241, 177.24
636.24

(no date) 1944

Formosans
Japanese

"Compulsory service takes an indirect, though no less effective form in the forced contribution of produce. For instance, a village headman notifies the farmers that their district is expected to provide a certain quota of hay for army horses, which must be forthcoming by a certain date. Castor beans are another example. By requiring this crop (which has no value in the economy of the individual farmer) the production has increased from 126,893 pounds in 1936 to 4,148,364 in 1938, which represents an impressive labor contribution. Through this method a goal of 23,000,000 pounds has been set for 1949. Each year more time and more labor and more space must be given to producing castor oil for the air service. Each household tends a few plants from which the children carry the beans to school for collection. In many instances no compensation is given for the produce, and in the instances where compensation is given, it is wholly inadequate to reimburse the costs of production."

15: U.S. Navy--27 [13]
116, 291, 511, 177.29
636.29

(no date) 1944

Formosans
Japanese

"For years the Japanese have tried to encourage the wearing of Japanese clothing, or at least to abandon traditional Chinese dress for western style clothing. After the war with China began in 1937 the requirement was made mandatory, but had little or no effect. The population is generally too poor to change its entire wardrobe at the wish of the Japanese."

15: U.S. Navy--27 (no date) 1944 Formosans
177.30 Japanese
636.30

"The old Chinese queue ('pigtail') is very rarely seen, having been abolished by the Japanese."

4:Grajdanzev--45 S-4 (no date) 1942 Formosans
116, 312, 471, 655, 177.31 Japan
636.31

"In any case the success in irrigation should be recognized as conspicuous, and it is not less striking that it was achieved with the relatively modest investment of about fifty million yen by the state since 1908. But the state has gradually withdrawn from the field, leaving irrigation works to private enterprise and to special irrigation associations. In 1937 the irrigated area was divided among three groups as follows: 140,500 ko were irrigated from the public canals, 132,000 ko from canals belonging to private persons, 259,000 ko from those of irrigation associations. The last are under the influence of landowners and of the owners of enterprises processing agricultural products."

4:Grajdanzev--87-88 S-4 (no date) 1942 Formosans
116, 167, 313, 423, 659, 177.31 Japan
636.31

"When the Japanese occupied the island, the new administration immediately became interested in its forest resources. One part of forests was in the possession of the Chinese farmers, but the other, more important one was the area of the aborigines. The Chinese were required to register the documents of ownership of forest lands, and since in most cases they had no such documents—their possession and use of forests being based on [88] custom—this device enlarged the government forest reserves (1). It has already been mentioned that in order to use the forests, formerly occupied by the aborigines, the government began to settle the latter by force in the plains. It is said that the settlement of one family of aborigines on the plains cost only ¥70, and this may be compared with the ¥1,000 or more which are spent on the settlement of a Japanese family. Many hundred thousands of ko of forest were acquired in this way."

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1. This is described in Section 3, Ch. 11, p. 1 of T. Yanaihara, Teikoku Shugishita no Taiwan, pp. 23-26.

4:Grajdanzev--106-107 S-4 (no date) 1942 Formosans
116, 316, 433, 454, 177.31 Japan
636.31

"Mining occupies a relatively unimportant position in Taiwan. In 1936, the last year for which data are available, the gross value of mineral products was Y28,727,000, less than ten per cent of the value of industrial production and less than one per cent of total production. But as regards the capital invested, the attention given by the government to oil and, recently, to gold, and the subsidies lavished on actual and potential producers of oil, it occupies quite a prominent position. The caiptal of the mining industry at the end of 1937 was Y46,635,000 (1). There were twenty-four companies, [107] but, just

1. It is not clear whether this is subscribed or paid-up capital, or whether this sum includes reserves and other investments.

as in other fields, three companies dominated the field; Taiyo Kogyo, Taiwan Kogyo, and Keelung Tanko (coal), (2) each having capital of over Y5,000,000.

2. The paid-up capital of this corporation is Y7 million and out of 140,000 shares 43,473 are in the hands of Mitsui Kosan and 41,656 in the hands of Mitsui Bussan."

4:Grajdanzev--109 S-4 (no date) 1942 Formosans
116, 135, 315, 382, 177.31 Japan
636.31

"Since 1908 the Taiwan government-general and the Japanese navy have paid special attention to oil production in Taiwan, but up to now this branch of mining has been more productive of subsidies to oil producers than of oil itself. It was mentioned above that in 1936 the value of oil produced in Taiwan was ¥312,000 and that of gasoline, ¥456,000. However, in the 1937 budget of the government-general ¥1,005,000 was earmarked as subsidies for oil producers and prospectors. Daily production of oil in the last few years has been about 5,000 American gallons."

4:Grajdanzev--149 S-4 (no date) 1942 Formosans
116, 314, 439, 655, 177.31 Japan
636.31

"The government, desiring to utilize the unique position occupied by Taiwan in the supply of camphor, made it a government monopoly. However, in the last few years synthethic camphor production has made striking progress and the monopoly is now definitely broken. This does not mean that natural camphor will lose its market for the expanding celluloid industry can successfully absorb the surplus, but the former advantageous position of the Japanese government is lost."

8: Chen--455-456 N-3 (no date) 1951 Formosans--1-2
116, 241, 312, 177.31 Japan
636.31

"To a certain extent, irrigation in Formosa was well developed long before the Japanese occupation. As recorded in the twenty-seventh volume of the 'General History of Taiwan' in the later years of the Tsing dynasty, the total number of irrigation reservoirs and ditches was 234. After the occupation the Japanese paid considerable attention to irrigation and drainage. In 1901 'Regulations Governing Public Irrigation Systems' were promulgated, and since then the area under irrigation and drainage has increased annually (Table VIII). In 1903 the total area under irrigation and drainage was 150,456 hectares, 28 per cent of the total cultivated area; in 1942 it had increased to 545,094 hectares, about 64 per cent of the total cultivated area. In area under irrigation and drainage Tainan is first among the hsiens (1948); Taichung comes next; then follow Hsinchu, Kaohsiung, Taipei, Hwalien, and Taitung; Penghu has no irrigation (Table IX). In percentage of cultivated land under irrigation and drainage Tainan is again highest, Taitung lowest.

Among irrigation works in Formosa, the Kianan system, in western Tainan, is the most famous. Construction was begun in 1920 and was finished in 1930, at a total cost of 54,013,000 yen. Today 140,000 hectares of cultivated land are irrigated from the Chenven and Chuhsiu Rivers. Since completion of the Kianan system, land price and land rent within its irrigating area have greatly increased. In 1920 the average land price was

8: Chen--455-456 N-3 (no date) 1951 Formosans-2
116, 241, 312, 177.31 Japan
636.31

313 yen per hectare, in 1935 it was 1144 yen; land rent rose from an average of [456] 36 yen per hectare to 128 yen; and the value of the yield per hectare increased from an average of 90 yen to 361 yen.

Before the Kianan irrigation system was completed, the average per hectare yield of the rice grown in the western part of Tainan was only 19 quintals. After its completion, because there were still limitations on water supply, paddy rice was grown with sugar cane and sweet potato in a three-year rotation; the yield increased to 27 quintals per hectare. The annual profit on paddy rice, when grown alone, had been 194 yen, totaling 582 yen in three years, but the profit on the rotation was 524 yen for the first year, 272 yen for the second year, and 454 yen for the third, totaling 1250 yen — more than twice the original three years' profit."

31: Hofmann--612-613 N-3 (1909) 1912 Formosans
116, 137, 311, 499, 563, 177. 31 Japanese
636. 31

The pigtail which to us symbolizes Chinese traditions, in the cities exerts its rule in the literal as well as the figurative sense, it is a rule which cannot be stamped out. Chinese and Japanese are separated from each other by a difference in culture and beliefs which cannot be reconciled with each other. On the whole the Chinese element predominates and numerically they are so far superior that an amalgamation between the rulers and the subjects in the near future seems out of the question. The Japanese farmers, merchants, and small business men cannot compete with the Chinese; the Chinese are an astute people and they are moreover, better adapted to the [613] climatic conditions on this island. This is another motive for the Japanese to exploit the interior and to penetrate still further into the regions of the aborigines; here they plan to set up business enterprises on a large scale, but for this again they must use cheap Chinese labor. One of these enterprises is the construction of a railroad in the mountains so that the large forested regions in the vicinity of the Niitakayama (cf. Fig. 2, Mount Morrison) may be exploited. The forests are called the Arisan Forest; they have played an important role in Japanese politics during the last few years. The Fujita Company had acquired a concession for timber here; the government had to buy this land again from the company, which had already begun to build a railway, so that the price which had to be payed in all amounted to about two million yen, a sum which had to be granted by the Japanese Diet.

15: U.S. Navy--28-29 (no date) 1944 Formosans
116, 346, 363, 499, 177.33 Japanese
636.33

"In many villages, especially the elongated type built between rivers and irrigation canals, the temples of the patron saints are constructed at corners or bends in the main streets, making them visible from some distance. These have proved a great obstacle in the construction of new streets for motor-[29]ized traffic. Public opinion strongly opposes drastic changes.

The Japanese have not always been considerate of popular sentiment in clearing lands adjacent to some Japanese enterprise. In road-building, Formosan cemeteries have frequently been disturbed and the owners of burial plots forced to move graves to land of little economic use. Many temples and large mansions obstructing government projects have been torn away with little effort to explain or to compensate."

15: U.S. Navy --24 [3] (no date) 1944 Formosans
116, 166, 369, 464, 177.36 Japanese
636.36

"The industrial centers at Keelung, Shinchiku, Takao and Karenko have attracted many voluntarily. The better paid technical and supervisory personnel are Japanese, but the common labor is Formosan-Chinese drawn from local rural communities. There is evidence that the creation of a number of new air establishments has necessitated the development of servicing communities near them, either at the fields' borders or in nearby villages. The development of a town at Toshien, just north of Takao, is the most important example of a 'war town' on the west coast. Karenko's new industries and the hinterland development of villages on a Japanese pattern and with Japanese names are examples of a more permanent new development."

15: U.S. Navy--29 (no date) 1944 Formosans
116, 361, 369, 177.36 Japanese
636.36

"Many city or town planning ordinances are in effect in Taiwan. The Japanese have drawn up overall schemes for the modernization of urban life everywhere, but these have gone into effect only in the larger settlements. Hence a sharp contrast is presented between the excellence of some city arrangements and the extreme primitiveness of nearby settlements."

15: U.S. Navy--29 [2] (no date) 1944 Formosans
116, 361, 349, 177.36 Japanese
636.36

"Before the Japanese took over the island, all the cities and many of the towns were surrounded by great walls, pierced by well-defended gates. The Japanese have torn down most of the walls, preserving only the gates as decorative monuments. Settlement and development have gone forward rapidly. The result is a quadrilateral or circular arrangement of city streets within the old town areas and a very irregular pattern of streets and alleys developed outside. The Japanese have been cutting through old settlements and imposing a well-developed grid and radiation system of streets and roads upon many towns."

4:Grajdanzev--190-191 S-4 (no date) 1942 Formosans
116, 392, 724, 177.39 Japan
636.39

"Any good [Military--analyst] base must also have a well developed industry, especially a metal industry. Taiwan's supply of munitions, tanks, airplanes comes from the industrial centers of Japan Proper. It is, of course, impossible to change this situation. However, the more can be made or repaired, or assembled in Taiwan, the better. It was shown above that in spite of the rapid growth of industry in the last years the metal and machine industry of the island is small in size. We have no data on the years 1939, 1940 and 1941 when industrialization of the island was declared to be one of the basic policies in the construction of the base for southern advance. Yet indirect data (changes in bank credits, movement of railway goods, imports of the island, etc.,) do not suggest any very rapid change. Undoubtedly some growth took place, and it was well-oriented, but there were many obstacles to the realization of the plans: shortage of metals and machinery; shortage of labor, in some cases due to the unwillingness of the military authorities to pay higher wages; difficulties in the public finances of Taiwan [191] Government-General in view of the several bad harvests of rice and extraordinarily low production of sugar. All this suggests that by 1941 the development of machine and metal industry has hardly made great progress since 1938."

4:Grajdanzev--76-78 S-4 (no date) 1942 Formosans-1-4
116, 114, 178, 423, 427, 177.42 Japan
636.42

"The division of families occupied in agriculture into owners, part-owners and tenants may be seen from the following table: (1)

1. Here and in the following tables the official figures of families occupied in agriculture are used, though, as was pointed out, they are probably underestimates. The statistics of landowners in Taiwan should be more or less correct because the land is surveyed and change of title involves a complicated procedure. The statistics may be incomplete only as regards tenants and agricultural workers (which they omit completely), and if one takes these into consideration one comes to the conclusion that official statistics probably give a brighter picture than is justified.

Division of Agricultural Families in Taiwan
(thousands)

	1932	1933	1935	1937	1938
Owners	132.2	129.4	132.1	131.1	130.2
Part-owners	119.3	121.7	128.4	134.8	135.6
Tenants (2)	152.4	155.0	159.4	161.5	158.7
Total	403.9	406.1	419.9	427.4	424.5

Footnote (2) on next page.

4:Grajdanzev--76-78 S-4 (no date) 1942 Formosans-2
116, 114, 178, 423, 427, 177.42 Japan
636, 42

Division of Agricultural Families in Taiwan [Cont.]
(thousands)

2. Those who have read Japanese Rule in Formosa by Yosaburo Takekoshi may be astonished to discover that there are tenants in Taiwan. Takekoshi wrote in 1905 '. . . The tenants [in Taiwan, after the reform by the Japanese administration] came to enjoy the absolute ownership of the land they or their ancestors have been farming for three centuries. Such a change certainly amounted to a social revolution. Most of the revolutions recorded in history required sacrifices, but the present one was entirely bloodless. This change has given the tenant absolute ownership, thus insuring securing of property. . . . .' (p 132). But what Takekoshi described as a social revolution, was actually only a very modest reform: the government abolished the rights of the taiso--owners who had only doubtful title to land. This reform made transfer of real estate more secure and paved the way for Japanese penetration.

As percentages of total

Owners	32.7	31.9	31.4	30.7	30.7
Part-owners	29.6	29.9	30.6	31.5	31.9
Tenants	37.7	38.2	38.0	37.8	37.4
Total	100	100	100	100	100

4:Grajdanzev--76-78 S-4 (no date) 1942 Formosans-3
116, 114, 178, 423, 427, 177.42 Japan
636.42

Source: Takumu Tokei, 1938.

[77] As this table shows, about forty per cent of all farmers in Taiwan own no land at all and must rent it from landlords and farmer-owners; about thirty per cent have plots so small that they are compelled to rent land, and barely thirty per cent of the farmers till only their own land. These figures are striking. Taiwan does not know rich tenants of the British type. Those who rent land are mostly poor farmers, but even those who cultivate their own land, are not all rich. As to the relative changes, there is a noticeable fall in the percentage of owners in six years--from 32.7 per cent in 1932 to 30.7 per cent in 1938. For the same period the percentage of tenants is the almost the same (37.7 and 37.4 per cent respectively), while the percentage of part-owners rose from 29.6 per cent to 31.9 per cent. It would seem that the farmer-owners are gradually losing their position and sinking to the level of tenants, but a six-year period is not a sufficiently long time to ascertain definitely whether such a trend exists.

However, it is not only the number of owners and tenants which is important, but also the area which they respectively till. Statistics of area are divided into only two categories—owned and rented.

4:Grajdanzev--76-78 S-4 (no date) 1942 Formosans-4
116, 114, 178, 423, 427, 177.42 Japan
636.42

Area Owned and Rented in Taiwan in 1932
(1,000 ko)

	Dry fields		Paddy		Total	
	Area	%	Area	%	Area	%
Owned	230.2	60.0	132.2	33.3	362.4	46.5
Rented	153.8	40.0	264.0	66.7	417.8	53.5
Total	384.0	100	396.2	100	780.2	100

Source: Nogyo Nenkan, 1939-40, p. 641.

In 1932 the area cultivated by owners constituted 46.5 per cent, the area rented by tenants 53.5 per cent. But it is important to emphasize that owners cultivated chiefly dry land while the tenants cultivated paddy. Paddy brings much higher yields than dry fields; in 1937 the average yield of rice per ko of paddy was about 14 koku while that per ko of dry land was only 7.8 koku, and, further, many paddy fields [78] produce two crops a year. In other words, one ko of paddy yields, on the average, more than twice as much as one of dry land, so that the tenants produce about sixty-five to seventy per cent of the total crop of Taiwan on rented land, and the owners not more than thirty-five to thirty per cent."

4:Grajdanzev--80-82 S-4 (no date) 1942 Formosans-1- 3
116, 427, 466, 675, 177.42 Japan
636.42

"The tenancy contract in Taiwan, as it was a few years ago, had the following features: (1) (1) It was a short-term contract—for the most part for one year only and cases were

1. For a more detailed description see K. Takahashi Gendai Taiwan Keizairon, pp. 293-303.

frequent where the landlords broke the contract before its expiry. It is possible for them to do this because the tenants are more numerous, there is stiff competition among them, and they cling to the plots which they are able to secure. There have [81] been cases when the term was six years and even ten years (opening of new land or reclaimed land), but these were exceptional. (2) It was almost exclusively an oral contract and in case of conflict the landlords were more successful than the tenants in securing their own interpretation of it. (3) The landlord usually received security from the tenant in money or in kind, amounting to from forty to sixty per cent of the rent, deposited with the owner at the time the contract is made. No interest is paid on this amount. This deposit represents a heavy additional burden on the tenants, who, as a rule, have no cash and are compelled to borrow the money at high interest rates while they themselves do not receive any interest on it. In many cases this results in sub-tenancy—a rich farmer renting land and sub-letting it to poor tenants.

4:Grajdanzev--80-82 S-4 (no date) 1942 Formosans-2
Japan
116, 427, 466, 675, 177, 42
636, 42

Through the efforts of the government these general features were somewhat changed. The government policy was as follows: (I) the term of tenancy should be five to six years or more; (2) if, after the expiry of the contract, the contracting parties do not denounce the contract within six months, it must be regarded as automatically renewed; (3) in time of crop failure the rent is to be reduced by mutual agreement; (4) in case of arrears (without a justifiable reason) or misuse of soil, the contract may be voided by the landowner; (5) no transfer of land by the tenant can be made without agreement and approval by the landowner; (6) changes in the form of the plot and other changes influencing the productive capacity of the land must be approved by the landowner; (7) if improvements are approved by the landowner, he must bear the expenses of the improvements fully or in part; (8) no contract may be declared void before expiry without sufficient reasons; otherwise compensation must be paid; (9) disputes are to be settled by special arbitration committees.

It is unwise to attach too much importance to these government efforts, however good their purpose may be. True, in 1935 sixty-eight per cent of all area leased was leased under written contracts, while in 1938-39 the percentage had risen to 76.6 per cent. Arbitration committees are established, as well [82] as societies of landowners and tenants, the purpose of which is to bring social peace to the relations between the landowners and tenants as well as to effect a change in the ideology of the farmers. Money

4:Grajdanzev--80-82 S-4 (no date) 1942 Formosans-3
116, 427, 466, 675, 177.42 Japan
636.42

grants from the government-general are made to aid these societies and officials appointed to direct them. But all this does not touch the core of the problem. The problem of tenancy is not to secure the tenant in his lease for one year, or how to distribute the costs of improvements, as this touches chiefly the misuse of power by the landlord. With a secure contract for three or five years, the tenant must still pay the rent, and he has no assurance that the lease will be extended after expiry of the contract. The policy states that in case of crop failure the rent should be reduced by mutual agreement, but in Taiwan it used to be customary for the farmer to pay the rent whether the crop failed or not, and there is no guarantee that this custom will not form the basis of the 'mutual agreement'. In this agreement there is no equality between the opposing parties. The same should be said about the arbitration committees--everything depends upon the degree of influence of the landowners in these committees."

4:Grajdanzev--126-128 S-4 (no date) 1942 Formosans
116, 426, 453, 656, 177.42 Japan
636.42

"Another bank whose loans are far above deposits is Nippon Kangyo Bank, or the Japanese Bank for the Encouragement of Business. Actually this bank is a mortgage institution and [128] is in the forefront of the organizations which extend Japanese control over real property in Taiwan."

4; Grajdanzev--47-48 S-4 (no date) 1942 Formosans
116, 433, 435, 177.43 Japan
636.43

"Furthermore, as will be shown later, the results of the improvements which did take place brought most profit to landowners, traders and the Japanese administration. This may appear to be contradicted by the fact that the gross value of agricultural production in Taiwan for the last five years increased from ¥237.9 million in 1933 to ¥413.7 million in 1937 (seventy-four per cent), and if later data were available they would certainly be still higher. Unfortunately, we do not have at our disposal an index of agricultural prices in Taiwan (1). However, we do know that the average price of [48]

1. The general index of wholesale prices in Taihoku had increased, compared with 1933, by 33 per cent in 1937 and 58 per cent in 1938. Taiwan Jijo, 1939 pp. 606, 607.

rice for the same period rose from ¥14.98 per koku to ¥22.74, or by fifty-two per cent, and rice makes up about half of the gross value of agricultural production in Taiwan. In the same years population increased by only thirteen per cent. By deflating prices to the level of 1933 and dividing by an index of population, we find some evidence that production per capita was less in real value in 1937 than in 1933. How generally this is true is difficult to say because of the paucity and unreliable character of the data. But one thing is clear: no rapid rise in the per capita value of agricultural production has taken place in the last few years."

4: Grajdanzev--51 S-4 (no date) 1942 Formosans
116, 243, 439, 177.43 Japan
636.43

"The unique position of rice in the economy of Taiwan justifies a more detailed discussion. Rice culture was important before the Japanese came to the island and rice exports to China were quite considerable. However, since the Japanese took control the production of rice has doubled in about a quarter of a century and more than half of the total production now goes to Japan. The credit for this achievement is usually given to the Japanese administration and the expansion has been taken as proof of the beneficent results of Japanese rule."

4:Grajdanzev--53-54 S-4 (no date) 1942 Formosans -1-2
116, 243, 435, 458, 464, 177.43 Japan
636.43

"One of the important reasons for the stagnation of rice exports from Taiwan to Japan before 1922 was the unpalatable character of Taiwan rice. Through the efforts of the agricultural stations, however, a new kind of rice—horai rice—was introduced, which was acceptable to the Japanese consumer and had a higher yield than the native varieties. It commanded a lower price than the rice produced in Japan but a higher one than the local varieties. As may be seen from the preceding table [See p. 52, category 116--analyst] the average price per koku rose from ¥7.8 in 1915 to ¥22.5 in 1920. The latter year was one of post-War inflation, but 1925, a more normal year, brought an even higher price. On the basis of this rise in price and increase in acreage one might jump to the conclusion that the island farmers were much better off. Some of this increased wealth they would use to purchase Japanese manufactured goods and some to increase their own consumption of rice, so that both parties—the Japanese and the Chinese—would gain.

Japanese economists (1) share this view. In their opinion the opening of the Japanese market to Taiwan rice brought a rise in the price of Taiwanese rice, especially after

1. Especially Takahashi. He at one time was considered 'the brains of the Kwantung Army' and his works are widely known in Japan.

4:Grajdanzev--53-54 S-4 (no date) 1942 Formosans-2
116, 243, 435, 458, 464, 177, 43 Japan
636, 43

the depression of 1929-32. The efforts of the government to raise prices, they say, were dictated by the difficult situation of the Japanese farmers. The level of rice prices in Japan was dictated by the costs of the Japanese farmers, and these prices brought windfall profits for the Taiwan farmers. It brought a rise in rice prices in Taiwan, increased wages and unwillingness on the part of some farmers to become workers in industry just because of these prosperous conditions. Industrialization of the island (which in the opinion of Takahashi is inseparable [54] from low wages) was retarded. Now the only way out is to introduce a rice monopoly in Taiwan in order to depress the price, using the resulting difference in Japanese and Taiwanese prices for budgetary purposes (2).

2. Takahashi, *op. cit.*, pp. 73-87."

4:Grajdanzev--56 S-4 (no date) 1942 Formosans -1-2
116, 171, 262, 439, 511, 177.43 Japan
636.43

"Taiwan is famous for its rice production of which it exports almost half. The opinion of Japanese economists is that exports of Taiwan's rice to Japan brought to the island such prosperity that some measures had to be taken to curb it. But the data presented in this table [See page 55--analyst] show quite a different picture. In 1905 the annual per capita consumption of rice in Taiwan was about 1.25 koku. Then it fell, but an increase in production brought it back to that level in 1925. At about that time the heavy exports of Taiwan's rice to Japan started: These exports brought a sharp fall in per capita consumption—it fell to 0.87 in 1935 and has remained on about the same level since that time. Now, 0.87 koku per year is about 0.8 pound per person per day. It was pointed out that the production of other cereals in Taiwan is almost nil. Only sweet potatoes form a significant addition to the diet (more than one lb. per person per day). Some wheat flour is imported but this amounts to only two to three per cent of the exports of rice (by weight).

These figures are for the total population. But the urban dwellers are probably better off than the farmers, so that the average for farmers should be less than 0.87 koku. Exports of rice from Taiwan to Japan cannot therefore be taken as a sign of Taiwan's prosperity, for they resulted in a fall in standards of living for the Chinese in Taiwan. Data for the last five years show that the annual average consumption of rice in Japan is about 1.10 koku, while in Taiwan it is 0.84. In other words, per capita consumption of rice in

4:Grajdanzev--56 S-4 (no date) 1942 Formosans-2

116, 171, 262, 439, 511, 177.43 Japan

636.43

Japan is thirty-one per cent higher than in Taiwan, though the Japanese consume in addition considerable amounts of wheat, barley, and other cereals, which are almost entirely absent in Taiwan, to say nothing of sweet potatoes."

4:Grajdanzev--56-57 S-4 (no date) 1942 Formosans
116, 241, 439, 441, 655, 177.43 Japan
636.43

"The price ruling on the Tokyo market is, however, not the price which the farmer in Taiwan receives. Between him and the Tokyo or Osaka market are landlords, usurers, a chain of local dealers in rice, big Japanese importers and exporters, and Japanese shipping companies. Each one of them m[illegible] profits, [57] and good profits, so that little remains for the farmer, and especially the tenant-farmer.

However, the advice of Takahashi and others fell on fertile ground and, beginning with November 1, 1939, the export of rice from Taiwan to Japan became a government monopoly. The government-general decides how much rice should be produced, works out a plan of exports for each month, buys rice from the special local organizations, and sells it to a Japanese company, Nippon Beikoku Kabushiki Kaisha (Japan Rice Corporation). The other suggestion of the Japanese economists concerning the lowering of the price of rice in Taiwan may also be attempted, though it will be difficult to realize in a time of war inflation and rice shortage in Japan."

4:Grajdanzev--142 S-4 (no date) 1942 Formosans
116, 439, 177.43 Japan
636.43

"We use the term 'external trade' of Taiwan because trade with Japan, cannot from the legal point of view be considered as 'foreign' trade. Throughout the following pages 'external trade' includes the trade of Taiwan with all other countries (including Japan)."

4:Grajdanzev--144-146 S-4 (no date) 1942 Formosans-1-3
116, 439, 656, 722, 177.43 Japan
636.43

"These tables [pages 143-144 in category 116--analyst] are of some value beyond the topic of immediate interest. Elaborate theories of international trade have been constructed, the purpose of which is to explain the movement of international trade as distinct from internal trade, but these theories pay little or no attention to factors of political control which are so often of paramount importance in this sphere. Before the occupation of Taiwan, Japan occupied a very modest [145] place in the trade of the island and even after the conquest, her share was at first small; in the period 1896-1900 imports from Japan made up on the average only 27 percent of the total and exports to Japan, only 19.6 percent. It is true that these figures are rather too low because of the absence of data on Japan's trade in 1896, but if these data were available, they would probably increase Japan's share by only 4 or 5 percent. The fact is that even after the occupation of the island, and in spite of the presence of large detachments of troops and swarms of Japanese officials and adventurers, trade continued for some time to flow chiefly in the old channels. However, this situation was soon changed. In 1926-1930 exports to Japan amounted to 85.5 percent of total exports and in 1937 reached a maximum of 93.2 percent, a figure probably unsurpassed in the history of other colonial countries. The same development was achieved in imports. In 1926-30 Japan's share was 68.3 percent, in 1931-35 it was 83.4, and in 1938 it reached a maximum of 89.4. The slight fall

4: Grajdanzev--144-146 S-4 (no date) 1942 Formosans-2
116, 439, 656, 722, 177.43 Japan
636.43

in Japan's share in 1938 and 1939 is apparent rather than real, for in these years Kwantung, Manchoukuo, and maritime China became to all intents and purposes Japanese colonies and for the Japanese in Taiwan it makes no difference from the point of view of profits and foreign exchange whether they trade with Japan or with these regions. In 1939 the share of this 'yen bloc area' of Taiwan's trade was 97.8 percent of her exports and 96.5 percent of her imports. For comparison let us look at the share of China. In 1896-1900 her share in Taiwan exports averaged 63.1 percent, in 1926-30, only 7.0, in 1936, 2.0, and in 1937, 1.3. The same picture appears in the case of imports, for which the corresponding percentages are 37.4, 13.8, 2.9, and 1.9. China is near, --just across the Taiwan Strait, her population is vast her cities are growing, her products are held in high esteem by the Chinese population of the island, she is in great need of Taiwan's products, and yet the trade between these two regions continued to fall catastrophically, But in 1937-1938 the most important points on the Chinese coast were occupied by the Japanese. By 1939 the area under the latter's domination has increased further, and a surprising change is occuring [sic]--the trade of Taiwan with China now shows a remarkable increase.[146]In 1937 exports from Taiwan to China were valued at 5,575,000 yen, but by 1939 they had risen to 33,840,000. Imports from China in 1938 were valued at 1,954,000 yen, in 1939, at 4,253,000. Although China experienced war in the last three years, though many of her cities were ruined, and the purchasing power of the population has fallen, the trade is better than at the start of the conflict. The reason for this reversal

4:Grajdanzev--144-146 S-4 (no date) 1942 Formosans-3

116, 439, 656, 722, 177.43 Japan

636.43

lies not in the economic situation; it is rooted in the change in the political conditions for now maritime China is virtually a Japanese colony.

This will help us to understand why the foreigners--British, Americans, and others--were gradually ousted from Taiwan. Before 1895 British and American trade with the island was larger than that of Japan, the most important branches of trade, as well as shipping, were in British hands. The British owned Douglas Co. monopolized shipping, the Hongkong and Shanghai Banking Corporation dominated the financial sphere, Jardine Matheson, Dent, and Samuel Samuel traded in camphor, sugar, tea, and other products, while the trade in rice was chiefly in the hands of Chinese. Mitsui Bussan--the pioneer Japanese firm--did not appear on the island till 1898. The share of Great Britain in Taiwan's imports fell from 7.3 percent in 1896-1900 to 0.1 in 1936 and to almost zero in 1939, while in the same period that of the United States fell in 1896-1900, 3,413,009 in 1929, and 1,750,000 in 1939. from 5.3 to 1 and to 0.4.[sic] In 1896-1900 Taiwan's average annual imports from Great Britain were valued at 1,326,000 yen, in 1926-30 (in depreciated yen) at 3,083,000 yen and in 1936, at 392,000. The imports from the U.S.A. amounted to 957,000 yen in 1896-1900, 3,413,009 in 1929, and 1,750,000 in 1939. (The purchasing power of the yen of 1939 is probably not more than one-fourth of what it was in 1896-1900.)"

4:Grajdanzev--149-150 S-4 (no date) 1942 Formosans-1-2
116, 171, 435, 439, 177.43 Japan
636.43

"Two other aspects of Taiwan's exports should receive our attention. First, it is interesting to compare the gross value of Taiwan's production with its exports, keeping in mind that the gross value is considerably larger than its net value, i.e. by the cost of materials, fuel used in production, etc.

Comparison of the Gross Value of Production
and Exports

Gross value of production,	1903	1922	1929	1937
million yen	84.5	354.2	598.6	890.5
Exports, million yen	20.7	158.4	272.0	440.2
Exports as percent of gross value	24.5	44.7	46.3	49.4

From this table it appears that in 1903 about one-fourth of the gross value was exported, while in 1937 the amount had risen to 49.4 percent. This probably means that in 1937 not less than three-fourths of the total net value of production of production[sic]of Taiwan was exported. Such a high ratio of exports to gross value of production is probably approached only [150] by Korea (1).

1. If Taiwan were to receive the equivalent in imports, the large exports would not constitute a problem. But we shall see later that this is not the case.

To see how far this situation was to the mutual advantage of the natives and the

4:Grajdanzev--149-150 S-4 (no date) 1942 Formosans-2
116, 171, 435, 439, 177.43 Japan
636.43

Japanese, one should compare not only the ratio of exports to total production but also the absolute amounts which are not exported. In 1903 there remained 63.8 million yen worth of unexported goods, while in 1937 450.3 million were left. Let us now examine these figures in the light of price-changes. We have no index of prices for Taiwan in 1903, but we do have prices of rice--the most important product of the island--to which the authorities in 1937 gave a weight of 31 percent in the general index (2). A picul of rice in 1903 cost 2.36 yen; in 1937, it cost 9.32 yen, or almost 4 times as much. If we also take into consideration the growth of population, the residual per capita gross production 'in rice prices' was 21.8 yen in 1903 and 19.8 yen in 1937. These are gross values of production, and since industry played a much greater part in 1937 than in 1903, the per capita net 'real' values in 1937 must actually be much smaller than in 1903. This is a startling conclusion. We emphasize again that these figures can only be approximate, yet they are sufficient to indicate the trend of events."

2. Actually it should be about 40 percent because the authorities gave sugar a weight of 25.3 percent, unduly large in view of the fact that more than 90 percent of the production is exported.

4:Grajdanzev--151-152 S 4 (no date) 1942 Formosans -1-2
116, 439, 722, 177.43 Japan
636.43

"In return for exports to the value of 593 million yen in 1939 Taiwan received only 409 million yen worth of imports (69 percent). In order to move these exports to Japan certain conditions are obviously necessary. Taiwan must import rails, railway equipment, harbor equipment, bags for rice and sugar, fertilizers, etc. Taiwan's exports--rice, bananas, sugar, tea, pineapples, fresh fish, etc.--are foodstuffs. But most of the imports enumerated are of no direct use to the islanders themselves; they are beneficial only insofar as they help them to secure other goods. They are really costs of production. In 1939 at least 60.7 million yen worth of fertilizers, including bean cakes and other cakes, (included in 'all others' in the table above) and about 8 million yen worth of gunny sacks were imported. Another group of imports is connected with the effort to turn the island into a powerful base for further advances into China [152] and the Southern countries. Port facilities far beyond the needs of Taiwan itself, powerful radio stations, fortresses, strategic railways, factories producing war materials are being built. Again we cannot determine exactly how great this group of imports is, though we can guess its growth by following the growth of 'ores, metals and manufactures thereof', etc. These two groups, which in themselves contribute little to the welfare of the islanders, increased from 28 million yen in 1925-1929 to 62 million in 1936, to 70 million in 1937, to 78 million in 1938 and to 86 million in 1939. To some extent this growth is purely illusory since it reflects the rise in prices in these years, but we know that in the Japanese colonies, just as in Japan, the consumption of metals, machines, for peace time uses,

4:Grajdanzev--151-152 S-4 (no date) 1942 Formosans-2
116, 439, 722, 177.43 Japan
636.43

etc., was reduced or stopped completely, so that the greater part is now available for military purposes."

4:Grajdanzev--154-155 S-4 (no date) 1942 Formosans -1-3
116, 171, 465, 511, 556, 563, 177.43 Japan
636.43

"The profits and emoluments which the Japanese get from Taiwan may be divided into two parts, that which they consume in Taiwan itself and that which is sent to Japan or invested in business. Consider first what the Japanese consume on the island. We shall assume that the workers and the lesser officials consume the whole of their income—any error which this hypothesis may involve will be small. Skilled Japanese workers in Taiwan earn about 700-800 yen a year and subordinate officials, who form the bulk of the Japanese population, earn about 1,200-1,500 yen a year. There are Japanese who earn and spend much less than the skilled worker and also rich Japanese who spend much more than 1,500 yen. Let us [155] assume that 1,500 yen is the average annual amount spent by a Japanese family in Taiwan and that in each family only one person is working (1). On these assumptions the disbursements of the Japanese popula-

1. It is interesting to note that the budget investigation conducted by the government-general in 1937-1938 based on 355 'representative' Japanese families comprising 1,397 persons arrived at an average of 184.56 yen per month or 2,215 yen per year. This investigation does not include the richest families but does include poorer groups (18 families with incomes below 840 yen a year) showing that our estimate of 1,500 yen is certainly not above the average, but quite probably below it. The same source gives budget figures for the Chinese on the island, but they cannot be used for purposes of accurate comparison because they embrace only the

4:Grajdanzev--154-155 S-4 (no date) 1942 Formosans-2
116, 171, 465. 511, 556, 563, 177.43 Japan
636.43

higher brackets of wage earners and salaried men. Their average earnings are 137.33 yen per month, though the official average daily wage is 1.27 yen, but those receiving less than 40 yen per month comprise only one percent of the cases investigated.

tion in 1938 are estimated at about 90 million yen. Of course, a part of this outlay would be made if Chinese workers and officials, working as hard and as well as the Japanese (2), were substituted for the latter. The average Chinese worker does not earn more

2. An official source says of the Chinese in the service of the Post Office that they 'have shown themselves as satisfactory postal employees as the Japanese in the same capacity.' (Taiwan, its System of Communications and Transportation. p. 24.)

than 380 yen a year (3), and a Chinese official earns about 600 yen. Thus the same num-

3. Based on the official daily average of 1.27 yen multiplied by 300 (days).

ber of the Chinese would cost only about 36 million yen, or about 54 million yen less than the Japanese. We shall see that this is not the chief item in the list of benefits

4:Grajdanzev--154-155 S-4 (no date) 1942 Formosans-3
116, 171, 465, 511, 556, 563, 177.43 Japan
636.43

which Japan derives from possession of the island (4).

4. The budget investigation conducted in Japan in 1936-37 gives the average monthly income as 90.59 yen per family for 558 families, while that in Taiwan in 1937-38 gives an average 184.56 yen for 355 families. If the groups included are reasonably comparable, as seems probable, the difference between the average earnings of the two groups gives some indication of the net advantage of the Japanese occupied in Taiwan and their 'dividend' in the colonial profits."

4:Grajdanzev--155 S-4 (no date) 1942 Formosans
116, 434, 556, 177.43 Japan
636.43

"The amount of profits collected [by the Japanese--analyst] may be calculated more or less precisely. We know that the exports from Taiwan are greater than the imports into the island and there can be only one explanation: considerable real wealth is transferred from Taiwan to Japan each year, wealth which represents the profits and savings of the Japanese in Taiwan."

4:Grajdanzev--155-156 S-4 (no date) 1942 Formosans
116, 167, 457, 484, 563, 871, 177.43 Japan
636.43

"One must, however, consider the invisible items in the balance of payments. The Chinese of the island rarely emigrate from Taiwan; as we have [156] already seen, the number of islanders living abroad is negligible. There are about 1,300-1,500 Taiwanese students in Japan proper, but their support by their parents and relatives can hardly cost more than one million yen a year——a small quantity in comparison with the figures involved. The islanders do not travel abroad, they have no investments abroad from which they draw income and there are only a few foreigners on the island, so that the general picture of an island having economic connections exclusively with Japan remains undisturbed."

4:Grajdanzev--158 S-4 (no date) 1942 Formosans
116, 457, 563, 661, 177.43 Japan
636.43

"Of course, some part of the [trade--analyst] balance is made up by the remittances of the Japanese on the island to Japan-proper, remittances which may be presented as 'earned income' and not an income from investment. However, the thousands of Chinese citizens who reside on the island remit home to China only paltry sums. They are unable to earn as much as the Japanese, mainly because the privileged position of the Japanese is the result of the colonial status of the island. The services performed now by the Japanese in most cases could be as well performed by the islanders, but their part is to be servants of the ruling nation. It should be clear than that this 'earned income' can be considered as a special form of the general income from the colonial exploitation of the island."

4:Grajdanzev--158-159 S-4 (no date) 1942 Formosans
116, 171, 457, 477, 661, 177.43 Japan
636.43

"The usual explanation of Japan's ability to obtain year after year tens of millions of yen worth of goods over and above what is sent from Japan to Taiwan is that this balance represents the interest on Japanese capital invested in Taiwan and the profits of the Japanese businessmen there. But a closer analysis of the figures given above reveals that this explanation is not satisfactory. It is important to understand that we are concerned here with investments and the returns on them, not from the point of view of an individual, but from the point of view of two regions——Taiwan and Japan. From 1896 to 1908, [159] inclusive, Japan sent goods to the value of 31,655,000 yen over and above her imports from the island and this represents her real outlay in the colony. She now receives from Taiwan sums which in every year since 1914 have been greater than this original 31,655,000 yen; which in every year since 1924 have been more than twice as great; and which in every year since 1934 three times as great, and in 1939 were six times as great as the original sum. Is this the legitimate interest on capital and profits of the entrepreneurs which are due to their energy, foresight and managerial ability?

Of course, we know that high profits are made not only in Taiwan, but, say, in the United States as well. Does this fact refute our thesis of exploitation? In no way. The existence of monopolies in the United States is a fact known to all. However, these monopolies are not permanent. Some of them appear, some disappear, every year."

4:Grajdanzev--159 S-4 (no date) 1942 Formosans
116, 457, 652, 661, 177.43 Japan
636. 43

"For our purposes it is irrelevant whether all or only a few of the Japanese firms on the island make high profits; whether there are bankruptcies among them or not. We are concerned here with Japan's position in Taiwan as a whole. The existence of the Japanese firms on the island which make less than 10 percent on the invested capital, of the Japanese entrepreneurs who fail and the Japanese adventurists who return to Japan disappointed and disillusioned does not refute our thesis. It was shown in some detail above that beside investment profits as such there is derived from Taiwan the income of Japanese officials, and income originating in taxation, monopolies, fines, etc., most of this due in the last analysis to one source——Japan's colonial power. All this brings us to the conclusion that the active balance of Taiwan's trade represents mostly an unusually high degree of exploitation of the Chinese on the island by the Japanese government and industrialists.

To those who ask whether the colonies are profitable or not, it may be said that the ruling group of Japan knows that they are. They are able in Taiwan to support 300,000 Japanese on a much higher level than those Japanese would enjoy in Japan and in addition to extract profits of more than 100 million yen a year."

15: U.S. Navy--27 [9] (no date) 1944 Formosans
116, 241, 433, 434, 177.43 Japanese
636.43

"Food is plentiful, but is subject to requisition by the Army. The farming population is able to raise a substantial amount of the food it consumes, but the Japanese frequently order the restriction of plots planted to these crops in order that more space may be devoted to a crop (castor oil beans for instance) required by the military. In 1940 the official daily ration of rice permitted to farmers in Taihoku Province was only 0.60-0.75 pounds, or 2-21/2 go per person. This is well below the usual consumption and has been the cause of bitter discontent and resistance."

4:Grajdanzev--48 [2] S-4 (no date) 1942 Formosans
116, 241, 439, 656, 177.45 Japan
636.45

"Rice, as we shall see, is a cash crop; probably not less than two-thirds of the crop finds its way to the market. Sugar cane which constitutes from 12.2 to 19.3 per cent of the total, has special importance because the whole crop is marketed. Sweet potatoes and vegetables are chiefly for home consumption. Next in importance, in the order named, are tea, bananas, groundnuts, pineapples, tobacco, jute, and cassava. This almost complete dependence on rice and sugar cane is the result of government policy, as before 1905 the distribution of cultures was not so specialised. But now Taiwan has become a part of the economy of Japan and its function is to serve that country's needs."

4:Grajdanzev--156-158 S-4 (no date) 1942 Formosans-1- 3
116, 457, 177.45 Japan
636.45

"The trade balance of Taiwan with all countries other than Japan is usually 'passive', but this trade also does not present a special problem. If Taiwan, for example, bought beans from Manchuria for 20 million yen and sold goods to Japan to the [157] value of 80 million yen, we may consider that this means that value of 80 million yen worth of goods were sold from Taiwan to Japan. The freight payments which accrue chiefly to the Japanese need not trouble us because they are included in Taiwan's statistics of imports and excluded from the statistics of exports. Thus we find the commodity balance of trade almost exactly measures the amount of profits and other earnings of the Japanese individuals, companies, and the government-general which they put at the disposal of Japan proper(1). Invisible items of the balance of payment with foreign countries do

1. Actually the profits derived by Japan from Taiwan are even greater, because (a) the gold produced in Taiwan and sent to Japan is not included in the trade statistics and (b) there was very active smuggling by Japanese of goods from Taiwan to Chinese ports, estimated by Japanese authors at several million yen a year.

not complicate the picture. Naturally, there is not an exact correspondence between the amounts transferred to Japan and the balance of payments from year to year and especially from month to month; more goods may be sent this year than there are

4:Grajdanzev--156-158 S-4 (no date) 1942 Formosans-2
116, 457, 177.45 Japan
636.45

profits and savings transferred, but in the following year the situation will be reversed if the normal functioning of the financial mechanism is to continue.

Let us now look at the balance of payments of Taiwan. In the first thirteen years of the Japanese administration (1896-1908) the balance was usually passive and the net aggregate amount of thesc passive balances was 31,655,000 yen (after deduction of active balances). It is fair to assume that this sum approximately represents net Japanese investments in Taiwan—a sum for which no equivalent was received up to 1908. Since that time the balance has been active. Admittedly, these investments do not include Japanese expenses of military occupation. But these were taken care of by the huge indemnity paid by China to Japan after the war of 1894-1895. This indemnity, as is well known, was in excess of the cost of war to Japan.

Active Trade Balance of Taiwan (1, 000 Yen)

	Aggregate	Annual Average		Aggregate	Annual Average
1909-1913	26, 384	5, 276	1929-1933	354, 672	70, 934
1914-1918	167, 117	33, 423	1934-1938	481, 642	96, 328
1919-1923	212, 148	42, 430	1939	184, 289	184, 289
1924-1928	382, 971	76, 594			
			Grand Total	1, 809, 223	

[158] Thus from an annual average of 5. 3 million yen in 1909-13 the active balance of Taiwan rose to 96, 328, 000 in 1933-1938 and reached a peak of 184, 289, 000 in 1939. In

4:Grajdanzev--156-158 S-4 (no date) 1942 Formosans-3
116, 457, 177.45 Japan
636.45

many cases the trade balance cannot serve as a good indicator of what a country pays to others for foreign investments. However, the case of Taiwan is different. The items complicating the balance of payment as apart from the commodity balance are almost absent here. There are few islanders abroad and there are few foreigners (except the Japanese) in Taiwan. There are no other foreign investments (other than the Japanese) on the island worthy of consideration. The islanders do not travel abroad, the foreigners do not travel in the island. Almost all economic relations are with Japan; the economic relations with other countries, insofar as they exist, are taken care of in the balance of payments."

15: U.S. Navy--31 [5] (no date) 1944 Formosans
116, 466, 656, 177.46 Japanese
636.46

"Through direct employment and through indirect control of the large agricultural and industrial companies, the Japanese government is the largest single employer of Formosan labor. Control and supervision has been strict since the Japanese occupation of the island, but the progressive invocation of the National Mobilization laws after the outbreak of the China 'Incident' has made government control of labor complete. Although there is evidence of chronic discontent among laborers on Taiwan since the 'liberal' days of the 1920's, government policy has been careful to prevent the development of any leadership. The usefulness of Taiwan as a base for military operations and as a link in the new imperial system depends upon the smooth functioning of transportation and communication and (to a growing degree) of industrial activity. All this in turn depends upon the strict control and obedient service of Formosan-Chinese labor, both skilled and unskilled. The Japanese fear any labor agitation, and realize that they are extremely vulnerable to slow-down tactics, if these should be initiated."

15: U.S. Navy--31 [8] (no date) 1944 Formosans
116, 167, 464, 177.46 Japanese
636.46

"Labor problems are dealt with by the several offices of the Government-General. There is no 'Labor Bureau' as such.

Before the China 'Incident' there were few restrictions upon the employment of an alien within Taiwan provided the alien had entered the country legally, held a visa from a Japanese consul and was duly registered in Taiwan. All Chinese laborers entering were required to be licensed for labor by the immigration authorities. The government itself has attempted to employ local labor or semi-skilled and skilled labor from Japan. After August, 1937, steps were taken to end the immigration of Chinese, and in 1938 it was announced that all Chinese nationals who thereafter left Taiwan for any point outside of the Empire of Japan would automatically be barred from re-entry."

15: U.S. Navy--32 [3] (no date) 1944 Formosans
116, 466, 467, 656, 177.46 Japanese
636.46

"In 1931 the upsurge of reactionary power at Tokyo made possible the outbreak of the Manchurian Incident and the stage was set for the war program. Labor leadership, labor organizations and union programs came to an end much more quickly in Taiwan than in Japan Proper. By the end of 1931 everything which smacked of opposition had been suppressed. The employers in the strategic industries, transportation and communications are official or semi-official bodies. Hence there can be no dispute over labor questions."

15: U.S. Navy--32 [6]
116, 745, 466, 177.46
636.46

(no date) 1944

Formosans
Japanese

"Hours of labor average about ten per day, including Sundays, although most employees get two days off each month. There are no labor laws or workmen's compensation laws, as there are in Japan. Excepting in cases of Government laborers, as in the Monopoly Bureau or the Government Railways, there are no provisions for bonuses or overtime payment, but most Japanese employers follow the Government example and pay for overtime work. The Government provides free housing for certain classes of Government employees, and retires long-time employees on small pensions. Private industry makes no such provisions, except sometimes where the employer is a wealthy family bearing a paternal relationship toward workmen long in service. The Government also has a scheme for compulsory social insurance payments. No such provisions exist in private industry. If a laborer is injured on the job, it is customary for the employer to pay hospital expenses. If he is killed or totally disabled, the employer makes a money contribution, called 'consolation money' to the injured man or to his family. Thirty days' notice is usual in discharging an employee; in lieu of notice, thirty days' wages are generally paid."

15: U.S. Navy--33 (no date) 1944 Formosans

116, 466, 177.46 Japanese

636.46

"Under the National Mobilization laws which have been put into effect the conscription of labor by the Japanese has been complete. Even before this, the forced contribution of labor, directly or indirectly, was managed in various ways. Work on semi-public undertakings was called a patriotic duty. Schools, young people's associations, and local ward organizations were expected to contribute certain hours of labor or, in lieu of them, special donations. If an individual Formosan is absent from any announced 'voluntary' project, complete explanation must be made to the authorities concerned. Types of semi-public undertaking include road-building, flood prevention, irrigation works, construction and care of shrines, land clearance, airfield construction, and tree-planting. The figures which follow indicate labor contributions over a one-year period:

Table 26: Enforced contributions of labor.

	No. of Laborers	Hours of Labor
School groups (primary and middle schools, Native and Japanese)	629,510	3,101,869
Young Men's Organizations	221,574	1,567,248
Adults in various organizations	399,708	2,265,361

Men of the upper class, especially those with advanced education and experience outside of the island, live in constant fear of impressment and transportation to the front for Army labor service."

15: U.S. Navy--33 [4]　　(no date) 1944　　Formosans
116, 563, 463, 465, 177.46　　Japanese
636.46

"Formosan-Chinese furnish almost all labor. Japanese are generally employed as foremen or skilled labor, or in particularly vital operations. For instance, they provide the personnel on the moving stock of the Government Railway system. This accounts for the difference in wage scales whereby the Japanese laborer receives from 80 to 150 percent more than Formosan-Chinese who do the same work. A Japanese tailor, for instance, at one time received two yen a day as against 1.20 yen per day for a Formosan-Chinese; a worker in a pineapple cannery 1.50 as against the Formosan-Chinese wage of 70 sen."

4: Grajdanzev
177, 47
636, 47,

Formosans
Japan

[For penetration of Japanese corporations and enterprises into the economic life of Formosa, see Categories 47, 43, and/or 563.]

5
4: Grajdanzev
177.47
636.47

Formosans
Japan

[MC: for penetration of Japanese corporations and enterprises into the economic life of Formosa. See categories 47, 43, and/or 563]

2

4:Grajdanzev--61 S-4 (no date) 1942 Formosans
116, 249, 423, 471, 177.47 Japan
636.47

"The old type of sugar cooperatives dominating the industry before 1895 disappeared with the advent of capitalistic forms of enterprise in Taiwan. Production of sugar is now carried on in modern mills which are the property of the Japanese sugar companies possessing tremendous amounts of capital (several hundred million yen). Step by step these companies acquired a huge area of cultivated land——from 63.2 thousand ko in 1925 this area increased to 93.2 thousand ko in 1935. The latter figure amounts to more than ten per cent of the cultivated area of the island, but in the regions where sugar cane is cultivated the companies own more than twenty per cent of the area under cultivation (1).

1. Actually their influence is greater than these figures suggest because they rent about 20,000 ko of land.

However, it would be a mistake to think that this huge area is used by the manufacturers for sugar cane plantations. They plant only about 18,000 to 25,000 thousand ko with cane, while all other sugar cane is bought by them from the small farmers, i.e. about three-quarters of the total sugar cane production is supplied by 127,000 to 130,000 farmers, each planting on the average only half a ko."

4:Grajdanzev--61-62 S-4 (no date) 1942 Formosans-1-2
116, 241, 435, 452, 477, 655, 177.47 Japan
636.47

"It is said that there are conflicts between farmers and manufacturers because of the price, and there are also many complaints by the manufacturers that the farmers do not follow their instructions, and yet the manufacturers prefer dealing with thousands of farmers to producing all of the sugar cane themselves. The explanation is simple; it is cheaper to buy from the farmers, not only because the cultivation of [62] sugar cane is a sideline occupation for the small farmer from which he is glad to get even a small reward, but also because of the special regulations imposed on the farmers. No sugar mill can be established without official permission. Simultaneously with licensing, the area from which the new mill may buy sugar cane is allocated. It is not permitted to buy outside this area, and the farmers are obliged to sell their sugar to this mill only. For each mill there are on the average 3,000 farmers and thus there is competition between farmers inside the area, but a monopoly for the buyer. Of course, the farmer is free to sell or not to sell; to plant sugar cane or not. But, as we shall see, he has actually little choice in the matter.

The manufacturers have developed and perfected a system of advances to the farmers which deprive them of freedom in such matters. In 1935, for example, about fifteen million yen were paid out in advances. The total value of sugar cane in this year was fifty-five million yen, about one-quarter of which was produced on plantations and about

4:Grajdanzev--61-62 S-4 (no date) 1942 Formosans-2
116, 241, 435, 452, 477, 655, 177.47 Japan
636,47

forty-one million yen worth on the tiny plots of the farmers. Thus at least thirty-seven per cent of the value of sugar cane was paid in advance. We say 'at least' because fifty-five million yen represents the official value of sugar cane in that year, though the price which the farmer gets may be much smaller than that on which the official estimate is based. It is clear that the farmer gets money in advance only because he is in need of it, and has no money of his own. Since the crop period for sugar cane in Taiwan is eighteen months, the farmer is not free in his economic decisions throughout this period."

4:Grajdanzev--96-97 S-4 (no date) 1942 Formosans-1-2
116, 171, 454, 471, 473, 177.47 Japan
636.47

"It is also interesting to compare the size of the companies in Taiwan as regards capital with those in Japan proper and in Korea.

Industrial Companies, their Total and Average Capital in the Japanese Empire, December 31, 1937.

	Companies, number	Total paid-up capital and investments (million yen)	Capital per enterprise (1,000 yen)	Capital per capita of population (yen)
Japan proper	30,518	9,396.9	308	132
Korea	981	246.2	251	11
Taiwan	335	191.5	572	34
Kwantung	358	96.9	271	81
Karafuto	88	33.6	382	103

Source: Dainippon teikoku tokei nenkan, 1939.

It is clear that Taiwan and Korea are poorly supplied with capital per capita of population, but there is an important difference between them: the average capital per company in Taiwan is higher than in any other part of the Japanese Empire, including Japan proper. These are averages and include small as well as large companies, but behind them one may see the silhouettes of big corporations dominating the economic life of Taiwan,

4:Grajdanzev--96-97 S-4 (no date) 1942 Formosans-2
116, 171, 454, 471, 473, 177.47 Japan
636.47

corporations which have few equals even in industrially developed Japan (1).

1. By size of total paid-up capital the corporations and partnerships in industry in Taiwan were distributed as follows: [97]

Size	Number of companies	per cent of total	Total paid-up capital (1,000 yen)	per cent of total
Less than ¥10,000	50	14.9	253	0.1
¥ 10.000- 49,000	111	33.1	1,922	1.0
¥ 50,000- 99,000	34	10.2	1,276	0.7
¥ 100,000- 199,000	48	14.3	3,020	1.6
¥ 200.000- 499,000	40	11.9	4,878	2.5
¥ 500,000- 999,000	20	6.0	4,694	2.5
¥1,000,000-4,999,000	25	7.5	24,077	12.6
¥ 5.000,000-9,999,000	2	0.6	5,700	3.0
Over ¥ 10,000,000	5	1.5	145,316	76.0
Total	335	100.0	191.1	100.0

Thus, 32 companies—9.6 per cent of the total number—had 91.6 per cent of the total capital of companies."

4:Grajdanzev--110-111 S-4 (no date) 1942 Formosans-2
116, 463, 471, 563, 655, 177.47 Japan
636.47

Distribution of Corporate Capital in Taiwan by Nationality in 1929 [Cont.]
(1,000 yen)

	Japanese	Chinese	Other*	Total
Mining	12,243	3,441	1,422	17,107
Total	225,745	57,033	5,161	287,939

* Chiefly Chinese from the mainland, citizens of the Chinese Republic.

The share of the Japanese was therefore 90.7 per cent in industry and 71.6 per cent in mining, while the corresponding shares for the Chinese were 8.5 per cent and 20.1 per cent. It is true that these figures do not include individual enterprises, which are chiefly Chinese, but it is quite evident that their inclusion would not greatly change the picture because the average capital of such enterprises is very small. On the other [111] hand this table does not include government enterprises which should be considered for all practical purposes as Japanese enterprises (the managerial staff is Japanese and the profits may be transferred to Japan at any time), and the capital of these government enterprises is huge. As is seen from the table, the capital of all corporations was about ¥288 million in 1929, yet in the same year the capital of the state railways alone was ¥122 million. Beside railways the government has many enterprises of all kinds. Since 1929 the situation has further changed to the disadvantage of the Chinese group for in the

4:Grajdanzev--110-111 S-4 (no date) 1942 Formosans-3
116, 463, 471, 563, 655, 177.47 Japan
636.47

last few years, as was shown above, huge new companies have been established and the capital of old ones increased. The new companies are Japanese. In 1929, for example, the capital of the Japanese companies occupied in the fisheries was ¥2,258,000; in 1939 two Japanese companies with headquarters in Japan proper, whose capital is ¥65,500,000 were operating in Taiwan. Of course, only a part of this capital is sunk in their Taiwan enterprises, but it is clear that the situation in 1939, in this as well as in many other respects, is less favorable to the Chinese than it was ten years before.

The same thing has occurred in mining, where the total capital is now ¥46.6 million, instead of ¥17.1 million as in 1929. The increase is due to the activities of the Japanese Koyo Kogyo, Taiwan Kogyo, and Keelung Tanko corporations."

4:Grajdanzev--110-111 S-4 (no date) 1942 Formosans-1-3
116, 463, 471, 563, 655, 177.47 Japan
636.47

"Our analysis of industry and mining must not be limited to a survey of present conditions and the plans of the government, etc. Properly speaking it should only begin here. The population of Taiwan is about five per cent Japanese and about ninety-five per cent Chinese and aborigines. In order to evaluate the place of these two groups in industry and mining we should know wage levels and working conditions as well as the all-important question of who are the entrepreneurs and who the wage earners. Unfortunately, some of these questions cannot be answered because of the absence of information.

The latest available report concerning the nationality of capital in Taiwan's companies refers to the years 1929.

Distribution of Corporate Capital in Taiwan by Nationality in 1929
(1,000 yen)

	Japanese	Chinese	Other*	Total
Agriculture	4,434	4,962	4	9,399
Industry	180,497	16,786	1,658	198,941
Commerce	23,128	28,082	2,033	53,242
Communications	3,186	2,571	25	5,781
Fisheries	2,258	1,190	20	3,467

4:Grajdanzev--112 S-4 (no date) 1942 Formosans-1-2
116, 171, 471, 563, 477, 655, 177.47 Japan
636.47

"It may be of some interest to compare the share of native corporations in the total corporate capital of Taiwan with their share in Korea, for which the most recent data is available:

Percentage Share of the Native Corporations in the Total Capital of Corporations

	Taiwan, 1929 Per cent	Korea 1938 Per cent
Agriculture	52.8	20.7
Industry	8.5	6.6
Commerce	52.7	19.1
Communications	44.5	7.5
Fisheries	34.3	6.3
Mining	20.1	6.8
Total	19.8	11.3

Source for Korea: Kokusei gurafu, April 1940.

It is evident from this table that in Korea the occupation of commanding positions by Japanese capital had proceeded much further by 1938 than it had in Taiwan by 1929. Native capital was strongest in Taiwan in 1929 in agriculture, commerce, communications and fisheries and it is interesting to note that Korean capital was most strongly placed

4:Grajdanzev--112 S-4 (no date) 1942 Formosans-2
116. 171, 471, 563, 477, 655, 177.47 Japan
636.47

just in these branches in 1920. This is not a coincidence. The squeezing out of the native capital usually begins in industry and mining (2) and reaches commerce and agriculture

2. Actually it began with communications. The railroads in both colonies are in Japanese hands, but since they belong chiefly to the government they are not included in the above figures.

only at a later stage. In Korea native capital is now only eleven per cent of total corporate capital. and there is no reason to expect that the proportion is higher in Taiwan.

The answer to the first question as to the nationality of capital in industry and mining in Taiwan is thus quite clear—from ninety to ninety-five per cent of this capital belongs to the Japanese."

4:Grajdanzev--113 S-4 (no date) 1942 Formosans
116, 463, 471, 563, 177.47 Japan
636.47

"Our first question is now answered: the Chinese as a group receive very little from Taiwan's industry and mining in the form of interest on capital or entrepreneurs' profits. Any advantages which they may derive from these industries arise then chiefly from their position as workers. Let us see now what they receive in this capacity. In 1936, out of 81,589 workers occupied in industrial enterprises with five or more workers or having a prime-mover, 76,251 (93.5 per cent) were Chinese—almost the same percentage as in the population of Taiwan. The remaining 6.5 per cent were chiefly Japanese."

4:Grajdanzev--140 S-4 (no date) 1942 Formosans
116, 563, 656, 177.47 Japan
636.47

" 'Encouragement of industry', on which the government planned in 1939 to spend 11.5 million yen from the general budget and 6.5 million from local budgets, consists of subsidies to Japanese industrialists and entrepreneurs in general. The budget for 1939, for example, provided for the following grants to Japanese companies: 1,743,000 yen to oil companies, 1,447,000 to shipping lines, 1,640,000 to airlines, 72,000 to private railways, 629,000 to gold producers. It is clear that these expenditures enriching the Japanese entrepreneurs give at best, as was shown above, low-paid work for the Chinese."

4:Grajdanzev--146-147 S-4 (no date) 1942 Formosans -1-2
116, 439, 477, 563, 656, 177.47 Japan
636.47

"Independent trade and foreign business are at an end (1) and the handful of foreigners in Taiwan are in a precarious position. In his [147] book 'Taiwan under Imperialism' Tadao Yanaihara explains this in the following way (2): in their competition with foreign and Chinese merchants the Japanese traders had great capital; they also entered the sphere of production; they had the advantage of the cooperation of the Taiwan Bank; they were helped by state monopolies; they enjoyed subsidies from the state; they were protected by the tariff wall. But nowhere in his book does Professor Yanaihara give proof that the Japanese merchants had greater amounts of capital when their enterprises were organized. The huge capital funds were not brought from Japan; they were created in Taiwan itself. Neither can any reason be found for combination of trade and production

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1. Identical amounts of foreign trade may mean different things for a nation; thus if an American firm buys tea in Taiwan, transports it to the United States in an American ship and sells it to retailers, the net result for the United States is very different from the case where a Japanese firm buys tea in Taiwan, brings it to the United States in Japanese bottoms, and sells it to American retailers.

2. Yanaihara, *op. cit.*, pages 48-49.

4:Grajdanzev--146-147 S-4 (no date) 1942 Formosans -2
116, 439, 477, 563, 656, 177.47 Japan
636.47

as a cause of their success. According to his own statement (op. cit., page 48), the foreign traders and shipping were almost completely driven out (hotondo kuchiku serarete) by 1907. But at that time no Japanese took any part in the production of rice, whereas in tea production Mitsui Bussan Co. and Nozawa have participated only since 1907. As late as 1905 about 90% of the sugar was produced in primitive mills and only 4,535 tons in the mills of the newly-established Japanese enterprises, while the total exports of sugar for 1905 were but 42,600 tons. Pineapples and bananas were unimportant as articles of export in these early years: bananas appeared in the custom reports in 1907 (valued at only 44,129 yen), pineapples to the value of only 18,639 yen were exported in the same year. Since camphor became a monopoly, there is no question of competition with respect to it; while alcohol was practically not exported."

4:Grajdanzev--147 S-4 (no date) 1942 Formosans
116, 171, 477, 656, 177.47 Japan
636.47

"The establishment of a Japanese bank does not of itself mean that Japanese merchants would enjoy privileges in it in comparison with other clients. There remain then monopolies, subsidies, tariff walls and--we add--taxation policy, administrative pressure and other similar measures as causes of the Japanese commercial success. The same measures were applied in Korea, later on in Manchuria and are now being used in China."

4:Grajdanzev--171-172 S-4 (no date) 1942 Formosans-1-2
116, 452, 476, 563, 661, 177.47 Japan
636.47

"The growth of Taiwan's cooperative societies of all kinds is good testimony to the ability of the Chinese population to organize ~~and~~ to manage quite successful enterprises. The growth of the cooperative movement in Taiwan may be seen from the following table:

The Cooperative Movement in Taiwan

	1913	1918	1930	1935
Number of societies of all types	18	171	407	462
Number of members	2,760	70,428	265,248	342,122
Paid-up capital 1,000 yen	484	4,455	13,949	15,250

[172]

In 1936 the urban credit cooperatives had deposits of 20.7 million yen, while the rural cooperatives had 64.3 million yen. In May, 1940 the corresponding sums were 36.4 million yen and 122.7 million yen. All this is the more remarkable because the cooperatives were developed by the Chinese with little help from the Japanese or from the cooperative associations of Japan (1), and because the government put so many obstacles

1. This does not mean, of course, that the Japanese cooperative associations were unfriendly to the Taiwan cooperative movement. Quite the contrary. Throughout the history of the Taiwan cooperative movement the Chinese received every encouragement from the Japanese societies and from the certain Japanese individuals; but this help could not be great because of the conditions existing on the island. It is

4:Grajdanzev--171-172 S-4 (no date) 1942 Formosans-2
116, 452, 476, 563, 661, 177.47 Japan
636.47

> important to emphasize that many individual Japanese physicians struggling with epidemics, teachers bringing education to far-away villages, political organizers helping the Chinese to organize their fight for freedom, and many others whose services to the Chinese were great and whose relation to the conquered people was that of sympathy and often of self-sacrifice, deserve the highest praise. However, it is not the individuals who count most, but the system, and however good the intentions of particular individuals might be, they could not and cannot change the governmental system existing on the island.

in the way of the development. The managerial and controlling staffs of the cooperatives in Taiwan must be approved by the government-general, so that 'undesirable' elements can be eliminated from the movement. The active members of the societies were often arrested and imprisoned and obstacles were put in the way of the creation of a powerful central body for the cooperative movement. But in spite of all obstacles the population of the island succeeded in building up a strong and useful organization."

4:Grajdanzev--172-173 S-4 (no date) 1942 Formosans
116, 452, 241, 476, 563, 177.47 Japan
636.47

"Since the start of the present war, however, through increasing supervision and various regulations, the government has turned the cooperatives into a piece of bureaucratic machinery, rather like the paochia. The chief function of the agricultural cooperatives, which form the backbone of the movement, has become the collection of rice and other products and their transfer to the government. According to the declared rations (1), the farmers in Taihoku province, for example, are to have only from two to two and half go of rice per day (0.6-0.75 lb.). But this is considerably below the usual consumption of [173] the farming population, so the farmers will not willingly surrender their 'surplus' and the cooperatives have been turned into organs for the compulsory collection of grain and other agricultural products. The only organization created by the islanders which had some semblance of independent existence is thus becoming a mere cog in the Japanese military machine."

1. The ration figures are taken from the Ekonomisuto, Tokyo July 1, 1940.

4:Grajdanzev S-4 (no date) 1942 Formosans
177.47 Japan
636.47

[For penetration of Japanese corporations and enterprises into the economic life of Formosa See categories 47, 43, and /or 563--Analyst]

15: U.S. Navy --24 [5] (no date) 1944 Formosans
116, 166, 486, 659, 177.48 Japanese
636.48

"The movement of Formosan-Chinese or Japanese into the aborigine territory is supposed to be strictly regulated. Permits must be had for any forest operations which take laborers into the area for logging or for camphor extraction. Likewise, the movements of aborigines who wish to leave the territory for business or sightseeing (educational) visits to towns and villages is carefully checked by the Japanese police. The police stations are small centers for trade and local administration through which most such traffic must pass. Roads, paths and the pushcar lines converge on these centers.

Movement from the western and northern settled regions to the isolated East Coast is susceptible of complete control. The town of Suo is the last important settlement at the northeast. Koshun is the last important settlement at the extreme south. Through these two towns pass all round-the-island motor traffic. (A road crossing the southern peninsula from Shajo eastward may now cross above Koshun.) All persons entering the territory through these points are expected to be registered for police purposes.

Some foot traffic (confined largely to bearers of supplies and messengers for the interior police stations) passes across the island from the Taichu-Hori district over the Noko mountain ridge to Karenko. It is improbable that Formosan-Chinese, singly or in small groups, should attempt to cross the mountains on foot unless armed or escorted by armed police."

15: U.S. Navy--29 [5] (no date) 1944 Formosans
116, 486, 177.48 Japanese
636.48

"The movement of all persons into or out of a community is carefully registered and reported to the police. Every hotel or place of lodging, such as a temple along a mountain trail, must keep a registry open for inspection at all times. Regular nightly inspections of hotel registers are made by the police--in the towns by a special police detail.

A further special registration is required of each person crossing the border of the aborigine territory on the East Coast."

4:Grajdanzev--118 S-4 (no date) 1942 Formosans
116, 494, 496, 177.49 Japan
636.49

"All kinds of communications are in use in Taiwan—from the primitive sedan chair and jinrikisha (rickshaw) to the airplane, but modern means of communications are either in the hands of the Japanese government or of Japanese companies. There are 3,375 km. of improved roads. These play an increasingly important part in inland communications because the railroads do not link up the whole island in a complete network; the eastern part has no railroad connections with the rest of the island. The number of motor cars and buses is small (1). The buses on the roads are used by the government railways as feeders for the rail services."

1. No statistics are published by the government.

4:Granjdanzev--118-119 S-4 (no date) 1942 Formosans
116, 454, 496, 655, 177.49 Japan
636.49

"In 1926 there were 950 km.(1) of government railroads in Taiwan; in 1938 there were 1,040 km. The lengths of private railways at the same dates were 525 km. and 521 km. respec-[119]tively—a slight decrease. In other words, in the last decade the construction of new railroads in Taiwan has almost stopped. At the end of 1938 the capital invested in the government railroads including expenditures on repairs and restorations was ¥172,499,691."

1. Taiwan. Its System of Communication and Transportation, 1929.

4:Grajdanzev--119 [2] S-4 (no date) 1942 Formosans
116, 171, 497, 511, 563, 177.49 Japan
636.49

"From the table given above [see table on page 118 under category 116--analyst] we see that a Japanese makes almost five times as many trips a year as does a Taiwanese --whereas the movement of the freight appears relatively as large as in Japan. The movement of passengers reflects the conditions of life of the natives while the movement of freight in Taiwan is the movement of Japanese freight to and from ports--coal, sugar, rive, fertilizer, lumber, and sugar cane (1) (in the order of freight carried)--

> 1. Sugar cane is in sixth place because the bulk of its [sic] transported on special railroads.

which, as will be shown later in more detail, serve chiefly the Japanese economic machine. The statistics of revenue show that the average cost per ton of freight in Taiwan is less than in Japan (¥2.26 as compared with ¥2.34). It may be said that this is quite reasonable because in Taiwan average distance over which the freight is moved is less. On the other hand, the average passenger cost per trip in Taiwan is twice as high. In spite of the smaller scale of operation, the railways of Taiwan bring a net return of eight to nine per cent as compared with six per cent in Japan (1937)."

15: U.S. Navy--30-31
116, 494, 177.49
636.49

(no date) 1944

Formosans
Japanese

"Ricksha men operate under license, and must maintain certain standards of dress and of vehicle maintenance set by the police. Indeed, the regulations are so precise that every [31] ricksha man changes from a winter blue costume to a summer white costume on exactly the same day, and vice versa."

26: Honda--469-470 N-3 (1896) 1897 Formosans
116, 491, 499, 177.49 Japan
636.49

The roads on the whole island are nothing more than narrow paths extending irregularly with corners and curves through fields. Bridges are as good as non-existent. For that reason we had to cover the entire distance to Mount Morrison on foot. [470] When the Japanese started building wide roads, the Chinese farmers were not particularly pleased and expressed the opinion that it was rather wasteful to build wide roads at the cost of useful fields; they felt that narrow paths were perfectly sufficient for pedestrians. Thus it is easy to imagine what difficulties of transportation the Japanese militia encountered when it was sent out to subdue the rebels.

4:Grajdanzev--121-122 S-4 (no date) 1942 Formosans
116, 504, 177.50 Japan
636.50

"The development of shipping demands good ports, and Taiwan is poor in natural harbors. But the government did not spare money or effort in the improvement of harbors, the best of which are Keelung and Takao through which most of the island's external trade passes. In 1929 Keelung's wharves were able to accommodate fifteen ships of 3,000 to 10,000 tons each and in addition six ships could be moored within the harbor, which was capable of handling 1,650,000 tons of cargo a year. Since that time considerable improvements have been made, and a plan of reconstruction, which [122] should be finished in 1943, foresees accommodation for forty ships at one time. Up to 1939, ¥36.4 million had been spent on the improvement of the harbor. In 1929 Takao harbor could accommodate seven ships of 5,000 tons each in berths, with seven more in the narrow but long harbor; recent construction permits accommodation of vessels of 10,000 tons, and, when the program is completed, it will be possible to accommodate twenty-nine ships at once. The cost of construction up to 1939 was ¥33.5 million. The other important ports which have undergone improvements are Karenko (east)--cost of construction ¥7.4 million; Bako (the Pescadores)--¥850,000; Soo (northeast)--¥669,000; Shinko (a fishing port in the east)--¥860,000; Shinko (west), where the works are to be finished in 1942 at an estimated cost of ¥15 million."

4:Grajdanzev--122-123 S-4 (no date) 1942 Formosans
116, 509, 177.50 Japan
636.50

"Taiwan is connected by regular airline with Japan proper and there is one air line which encircles the island. The first line connects Fukuoka (between Nagasaki and Moji, the centre of the Japanese lines radiating from Kyushu) with Taihoku (1, 610 km.). Flights are made every day and, in 1938, 8, 706 passengers were carried and 144, 005 ton-km. of freight and mail were flown. The line is however not remunerative, although the flights of the Taiwan and Osaka businessmen and Japanese officials are subsidized by the government-general at the expense of Taiwan's taxpayers to the extent of ¥325,000 (1939).

The length of the island air lines in 1938 was about 600 km. Flights are made daily (only every second day to Pescadores) and stops are made at all important cities of the island. The number of passengers for 1937 was 6, 450, but the movement [123] of freight in the same year amounted to only 570 ton-km. A subsidy of ¥360,000 was paid to these lines by the government-general in 1939, which means that each passenger was subsidized to the extent of ¥60 per flight."

15: U.S. Navy--22 [6]
116, 526, 177.52
636.52

(no date) 1944

Formosans
Japanese

"There is a traditional form of Chinese boxing which has been discouraged by the Japanese because of its 'un-Japanese' character. It is in fact much like Japanese judo of which it is the ancestor."

15: U.S. Navy --23 [6] (no date) 1944 Formosans
116, 563, 582, 609 Japanese
636.58

"Fusion of ethnic groups. Special permission must be obtained from the government before a marriage between a Formosan-Chinese and a Japanese can be made legal. There are a few notable cases of marriages arranged between wealthy Formosan men and Japanese women, (as between a son of the wealthy Ko family in Taihoku, for instance, and the daughter of an impecunious Japanese nobleman). As a general rule the antipathy which one race holds for the other inhibits even casual sexual intercourse between the two. This, plus the fact that the Formosan-Chinese birth rate is much higher than that of the Japanese, precludes any hope for gradual fusion of the two peoples on the island."

15: U.S. Navy--29 [6] (no date) 1944 Formosans
116, 582, 177.58 Japanese
636.58

"There have been changes in such fundamental customs as betrothal and marriage under the impact of large-scale modernization programs and the realignment of social life to conform to Japanese ideas of colonial management."

4:Grajdanzev--163 [21 S-4 (no date) 1942 Formosans
116, 171, 625, 659, 871, 177.62 Japan
636.62

"Many times on the preceding pages it has been shown that Taiwan is more poorly supplied with this or that commodity than is Japan proper. But in one respect Taiwan is better supplied——with policemen. According to Dainippon teikoku nenkan (Statistical Year Book of the Japanese Empire) for 1937, there was one policeman for every 1,052 persons in Japan proper in 1937, while in Taiwan there was one for every 580 persons. According to the same source there were more policemen than teachers in Taiwan——9,972 policemen in 1937 as compared with 9,651 teachers of all kinds in 1936——while in Japan proper the number of teachers was almost six times as large as the number of policemen. The number of policemen in Taiwan is almost three times the number of physicians."

4:Grajdanzev--163-164 S-4 (no date) 1942 Formosans-1-2
116, 563, 625, 177.62 Japan
636.62

"Besides having this regular police force the whole country is organized for police purposes through the revival of the old Chinese system of paochia. As we saw, the Chinese of the island have no voice in the government of the island, but they [164] are widely used for police purposes through the paochia system, which is obligatory for the Chinese, but from which the Japanese are free. Ten Chinese families form a chia and ten chia a pao, so that a pao comprises one hundred families or about 500-600 persons. At the end of 1938 there were 53,876 heads of chia and 5,648 heads of paochia (called paocheng in Chinese or hosei in Japanese). All these persons are elected by the members of the chia or pao, but they must be approved by the governor (or the chief of the district). It should be noted, however, that although they have no right to elect their own representatives for the self-government, the members of the pao and chia have the right to elect their own policemen. This paradox is due to the fact that the duties of the chiachang (the head of the chia) and the paocheng are heavy, unpleasant, sometimes dangerous, and completely unpaid, while any expenditures which may be incurred are covered by a tax on the members. Only relatively prosperous men can afford to do this work and even they do it for the most part unwillingly. They police their community under the guidance of the professional policemen, report the number of residents, new arrivals and departures (very severe punishments follow failure to

4:Grajdanzev--163-164 S-4 (no date) 1942 Formosans-2
116, 563, 625, 177.62 Japan
636.62

report), organize groups to pursue 'bandits', take precautionary measures in case of epidemics, repair the roads and bridges, fight insect pests, collect the taxes, etc., etc. If a crime is committed or the chiachang neglects his duty, he is the first person to be held responsible, but he along with the whole group is also held jointly responsible. This system was established by the Japanese government at a time when in spite of all governmental efforts, the island was not pacified, and some extraordinary measures were necessary to bring peace. But now, after more than forty years have passed since its inception, the system is a sign of weakness on the part of the government; it shows its distrust of a people conquered so many years ago and a belief among the rulers that only through this system can peace and order be maintained on the island."

4:Grajdanzev--3 S-4 (no date) 1942 Formosans
116, 131, 631, 177.63 Japan
636.63

"The area of Taiwan, excluding the islands around it, is 35,760 sq. km. (13,807 sq. miles), a little more than the area of the Netherlands, or one-third as large as Virginia, and almost equal to the area of Kyushu or the Japanese part of Saghalien. The island stretches from north to south, the distance from its northern-most point to its southern promontory being 400 km. (249 miles) and, from east to west at the broadest part, 150 km. (93 miles). As an administrative area the Taiwan government-general includes adjacent islands and the Pescadores. The total number of these islands is 76, but their total area is only 64 sq. km. Recently the Spratley Islands off the coast of Indo-China were made a part of the territory of the government-general, but as yet they have not been adequately surveyed."

4:Grajdanzev--161 [2] S-4 (no date) 1942 Formosans
116, 631, 177.63 Japan
636.63

"Let us now examine the local government administration of Taiwan. It is divided into five provinces, three districts, fifty-one counties and nine cities. Districts are formed in less developed regions—Taito, Karenka (in the East) and Boko (the Pescadores)."

4:Grajdanzev--161-162 S-4 (no date) 1942 Formosans
116, 635, 177.63 Japan
636.63

"The most important person in the province is the governor, and in the district, the chief of the district. Their powers and position are similar to that of the governor-general but on a smaller scale. They can impose upon any person without recourse to the Courts a prison term of two months and /or a fine of ¥70. They may ask military force for the maintenance of order, they supervise all administrative bodies in their respective provinces or districts, etc. These bodies are: the secretariat, the bureau of Internal Affairs, [162] bureau of Police Affairs, Police Headquarters, Taxation bureau, agricultural experimental stations, etc."

4:Grajdanzev--162 [2] S-4 (no date) 1942 **Formosans**
116, 635, 177.63 **Japan**
636.63

"Since 1920 there has been an advisory body for each provincial governor or district chief, consisting of 20-40 members, half of whom are appointed by the governor-general and half chosen (by indirect election) by the municipal and county council. The governor of the province is the president of the provincial council. The officials administering the counties and whose duties are chiefly of a police character, the mayors of the cities and of rural communities are not elected, but are appointed by the government."

31: Hofmann--603-604 N-3 (1909) 1912 Formosans
116, 634, 669, 697, 177.63 Japanese
636.63

In the house of the governor, Count Sakuma... I had the opportunity to meet the chief magistrates of the various provinces. Among these there was not one who did not speak either English or German. All of them had been sent to Europe by the government of Formosa to complete their studies there. In every respect, the achievements of the Japanese colonial administration are most impressive, and they become even more so if one takes into consideration the conditions under which the Japanese first took over the administration of the island. In 1895 there was complete anarchy among the Chinese elements of the population. There were organized bands of guerilla soldiers in all the regions that were accessible to foreigners, so that before the administration could proceed to the task of suppressing the Malayans in the mountain regions, [604] it was necessary to break the resistance of the Chinese. I saw some of the leaders of these guerilla bands, who had not been condemmed to capital punishment, in the large reformatory in *the capital. There the prisoners were engaged in occupations* such as cabinet making, in which they showed a great deal of skill and understanding.

4:Grajdanzev--160 S-4 (no date) 1942 Formosans -1-2
116. 643, 177.64 Japan
636.64

"The administration of Taiwan is entrusted to the Taiwan governor-general, who is appointed by the Emperor of Japan. Before 1919 only generals or admirals could occupy this post (1) and nowadays, if the governor-general is at the same time a general or admiral, he is also commander-in-chief of Japanese forces on the island. If, on the other hand, he is a civilian, he may demand from the commander of the army the use of troops for the maintenance of order. His powers are extensive. He supervises the work of all administrative machinery, promotes the officials, dismisses them from service, though in respect to certain ranks his action must be approved by Tokyo. He has a right to suspend or cancel any order or any administrative measure of provincial governors under him and he can impose on any person on the island, without recourse to the courts, a fine up to ¥200 and/or a prison term up to one year. Under him are his Secretariat, the Departments of Home Affairs, Education, Finance, Colonial Development, Police, Communications, Monopolies and the Research Institutes (Central, Sugar, Aquatic). His actions are supervised by the Japanese Minister of

1. Recently the opinion was expressed in the Japanese press that, in view of the importance of Taiwan as a base for the advance to the South, this practice should be restored.

4:Grajdanzev--160 S-4 (no date) 1942 Formosans-2
116, 643, 177.64 Japan
636.64

Colonial (Overseas) Affairs, but as regards special branches of his administration he is also responsible to the Ministers of Finance and Communications."

4:Grajdanzev--160-161 S-4 (no date) 1942 Formosans
116, 563, 646, 177.64 Japan
636.64

" 'For the consulting of the people's opinions' there is an advisory body to the governor-general, Hyogikai (1), established in June 1921. Only government-general

1. Usually translated 'council.'

officials. civil and military, and those private persons 'rich in knowledge and [161] experience' whom the governor-general choses to appoint have a right to represent the people's opinions; but all high officials, civil or military, are Japanese, and, as was mentioned, they are appointed as well as dismissed at the representation of the governor-general. This advisory body, consisting of a chairman, vice-chairman, and forty members is thus made up of persons whom the governor-general finds it convenient to appoint. The chairman is the governor-general himself, and the vice-chairman is his secretary-general. Each member is appointed for a two-years period, but with the permission of the governor-general maybe released from duty before the expiry of that period. Clearly, this is a purely bureaucratic institution. "

4:Grajdanzev--161 S-4 (no date) 1942 Formosans
116, 641, 643, 177.64 Japan
636.64

"The people of Taiwan have no representatives in the Japanese Imperial Diet, they have no representative body which takes part in the legislation or administration of the island.

Under these conditions the position of the governor-general acquires a special importance, and yet if we exclude Kodama, who spent eight years at his post (from February 1898 to April 1906), the average length of tenure is two years and one month, too short a time for a good knowledge of the local conditions. The tenure of the government-general is evidently subject to the vicissitudes of political conditions in Tokyo and has little to do with Taiwan."

4: Grajdanzev--162 S-4 (no date) 1942 Formosans
116, 563, 642, 177.64 Japan
636.64

"The officials of the Japanese Empire are divided into three groups--chokunin, appointed by the Emperor, sonin, highest officials, appointed with the Emperor's approval, and hannin, lower officials, for whom the sanction of the Emperor is not necessary. In the government-general there were in 1938 7 chokunin officials, 119 of sonin rank, and 648 of hannin rank, while in the provinces and districts five persons were of chokunin rank, 94 of sonin and 1,523 of hannin.

These numerous high officials are exclusively Japanese and in the counties and municipalities there are hundreds more. Lower positions are occupied not only by Japanese, but also by Chinese, but as it is pointed out in Sekai nenkan, 'from the political point of view all administrative organisations are almost exclusively (hotondo zembunga) staffed with Japanese, while from the economic point of view everything is under the domination of the Japanese economy' (1).

1. P. 179."

4:Grajdanzev--162-163 S-4 (no date) 1942 Formosans
116, 171, 632, 641, 177.64 Japan
636.64

"The municipal or village councils have from 8 to 40 deputies (according to the population), half of whom are appointed by the government and half elected. The electorate is made up of male Empire subjects who have attained the age of twenty-five years, who are not dependent, who have lived continuously for at least six months in that particular locality and pay at least five yen in municipal or village taxes (house tax, land tax, or business tax). [163]

Thus it is clear that the only places in which there is some semblance of elections are the cities or villages. As has already been pointed out, the small landowners in Taiwan possess chiefly dry land and the majority of them own less than one ko. But the village land tax from one ko of dry land is less than five yen and consequently the majority of owners, as well as all tenants and workers, have no right to vote. We have no data for Taiwan, but the example of Korea shows that by this device two per cent of the population——the Japanese——form the majority of the electorate."

4:Grajdanzev--163 S-4 (no date) 1942 Formosans
116, 625, 642, 177.64 Japan
636.64

"Since the mayor and half the members of the Council are appointed by the government, since the mayor and all higher officials have the right to reject the decisions of the councils, since the provincial councils are appointed or elected indirectly and since the advisory council to the governor-general is appointed directly, we may say that after forty-five years of Japanesc rule, Taiwan is a colony in the government of which the islanders have no voice whatsoever and in which the Japanese themselves as citizens have little or no influence. The island is ruled by the governor-general with the help of the army and police."

4:Grajdanzev--185-187 S-4 (no date) 1942 Formosans-1-3
116, 453, 648, 177.64 Japan
636.64

"Taiwan 'the stone aiming at the south' was acquired by [186] Japan in 1895. The Bank of Taiwan, established in 1897, had among its tasks penetration of Southern China and Nan-Yo (1). In 1900 it established a branch in Amoy; in 1903—in Hongkong. In 1912 one in Bangkok. During the same period a well-planned net of agencies of the Bank was laid throughout the Malay archipelago. In 1919 with the assistance of the Bank of Taiwan the Chinese Southern (Hwa Nan) Bank was established with a capital of 10 million yen, and head offices in Taihoku, Taiwan. Its purpose was work among the Chinese emigrants in the colonial countries of Southeast Asia. In the same year the Bank of Taiwan established the South Seas (Nan-Yo) Warehouse Company with a capital of 5 million yen. As early as 1908 the government-general of Taiwan decided to earmark from its budget 700,000 to 800,000 yen annually for the purposes of education, health work, protection, cultivation

1. Nan-Yo includes Southeast Asia and the islands between Formosa and Australia. It is not clear whether the term includes Australia and New Zealand. Inclusion of Australia and New Zealand was denied by the former Minister of Foreign Affairs, Mr. Matsuoka, presumably to alleviate the fears of the Australians, but the maps published by the Japanese theorists of the southward advance include Australia and New Zealand.

4:Grajdanzev--185-187 S-4 (no date) 1942 Formosans-2
116, 453, 648, 177.64 Japan
636.64

of friendship, and financial assistance to the Japanese in South China and Nan-Yo. But beside these purposes, about which some information will be given below, there was financial assistance not only to business men as such, but to business men of a special character. Malaya, Netherlands Indies, Australia, the Philippines, French Indo-China and Siam, not to mention South China, were systematically covered by a network of Japanese photographers, druggists, laundrymen and shopkeepers. There were hundreds of photographers who did not have as many as five clients a year; druggists who never sold any drugs to the natives or any one else; fishermen who were busy in surveying the coasts and taking soundings. We do not know how many of them were paid from the general budget of Japan proper; but we know that the sums appropriated annually by the Taiwan government-general were probably sufficient to support 3,000 such people throughout Southeast Asia (Y240 a year being enough for a frugal Japanese in [187] these southern countries.) To this network one should add the branch offices and agencies of the Bank of Taiwan, and the consulates of the Japanese Empire dotting the same area (2).

2. French officials in Indo-China complained that the Japanese knew more about Indo-China than they did. (Noted in Mirovoye Khozyaistvo, . . . , 1941). The same may be said about other countries of Southeast Asia.

The details of expenditures of the Taiwan government-general for this purpose

4:Grajdanzev--185-187 S-4 (no date) 1942 Formosans-3
116, 453, 648, 177.64 Japan
636.64

according to a Japanese source 'are not clear' (3), but it was said that 60% were spent

3. Taiwan Keizai Nempo, 1941, p. 778.

in South China and 40% in Nan-Yo."

4:Grajdanzev--187 S-4 (no date) 1942 Formosans
116, 208, 648, 177.64 Japan
636.64

"Under the auspices of the Taiwan government-general the Zenrin kyokai ('Good Neighbor Association') was established in 1917 and the Hakuai kai ('Philanthropic Association') in 1918. Their capital was supplied by the Government-General and the Bank of Taiwan; they opened schools and hospitals not only in South China, but also in Davao (the Philippines) and North Borneo. After 1918 the Zenrin kyokai started publication of newspapers for Chinese reade[illegible]n Foochow, Swatow and other places."

4:Grajdanzev--187-188 S-4 (no date) 1942 Formosans-1-2
Japan

116, 648, 177.64
636.64

"However, only after 1935 was the activity in Southeast Asia greatly intensified, the center, as before, being Taiwan. In 1935 the Government-General [of Japan--analyst] established a research institute for tropical countries. In 1936 a semi-private Taiwan Takushoku Kabushiki Kaisha (Taiwan Colonization Corporation) with a capital 30 million yen was organized, its purpose being not only the development of Taiwan, but also 'economic help' to the Japanese in South China and Nan-Yo and increase of trade with these countries. In 1936 the Japanese Overseas Minister, Mr. Nagata, answering an interpellation in the special session of the Diet, declared that 'the historical mission of Taiwan lies in the South, because of Taiwan's geographic position.' In 1937 the Government-General of Taiwan established a Foreign Affairs Division in charge of affairs of Kwantung, Swatow, Amoy, Hainan Island. The government stated the purpose as [188] being the spread of the knowledge of the Japanese language in South China and Nan-Yo through magazines, photographs, pictures, broadcasts, and in order—according to the statement of the Bureau of Information of the Government-General of Taiwan—to facilitate propaganda for the establishment of the East Asia Co-prosperity Sphere. In 1940 it established the Colonial Personnel Training School and rendered financial help to other institutions with similar purposes. The Bank of Taiwan was urged to give 'special loans' to the Japanese in South China (since 1935), in Nan-Yo (since 1936) and in

4:Grajdanzev--187-188 S-4 (no date) 1942 Formosans-2
116, 648, 177.64 Japan
636.64

the Philippines (since 1938). On March 30, 1939 Shinnan Archipelago (Spratly Island and others)was annexed and declared a part of the Taiwan Government-General."

25: Plaut--28 [2] U-4 (no date) 1903 Formosans
116, 643, 648, 177. 64 Japan
636. 64

Finally on the 14th of April 1895, the treaty of Shimonoseki forced China to cede Formosa with all of its islands andthe Pescadores to Japan, and then the Japanese Government began rapidly and energetically to establish order in her new possession. The difficulties were formidable, for the Chinese residents of the island did not look upon the new masters with good grace; then, too, the Japanese were not sure about the best methods of procedure at first, so they were groping and uncertain, and several times they were forced to change their system. That was due to the fact that the local administration was often quite unsuitable for applying the good suggestions of the officials. But finally the administration was organized in an intelligent and permanent fashion, and since 1898 the island has progressed steadily under the energetic and intuitive guidance of the Governor General, Lieutenant General Kodama Gentaro, and the tireless labor of the skilled and discrete Civil Governor Dr. Goto Shimpei.

4:Grajdanzev--18 S-4 (no date) 1942 Formosans
116, 175, 177.65 China
636.65

"In 1884 began the Sino-French war, the purpose of which was to compel the Chinese government to agree to the French version of Tonkin's boundary. Activities spread to Taiwan, which was blockaded by the French navy. The war was not very glorious for French arms, but it brought home to the Chinese government the need for improvements in Taiwan. The island was raised to the rank of a province in 1887, and the energetic Liu Ming-chuan, commander of the Chinese forces during the French blockade, became the first governor. He worked out a plan of substantial improvements and during his short rule the construction of the first railway on the island was begun, a telegraph network was constructed and a cable connecting with Amoy laid; harbors were also improved and fortifications built. But all this was done without any attempt to improve the condition of the masses, to educate them, or to give them some voice in the government. The cost of the reforms Liu Ming-chuan wanted to place upon the local population through the introduction of 'likin' (1) and through a revision of the land tax. This caused disturbances among the population. Liu Ming-chuan was removed from office and the Chinese administration of the island returned to the original state of inaction; but the menace was already at hand."

1. A tax on goods moved across administrative boundaries.

4:Grajdanzev--20-21 S-4 (no date) 1942 Formosans
116, 175, 563, 177.65 Japan
636.65

"Thus Taiwan became the first Japanese colony. Many problems faced the new masters of the island, one being the aborigines and the territory occupied by them. About half of the island, sparsely populated by aboriginal tribes, was practically outside Chinese authority and the occupation of the western part by Japanese in 1895 did not bring them nearer to [21] the solution of the problem. It took decades of effort and even now is not finally solved. The Chinese part was easier to control, but several years were spent in the suppression of rebellions, and special measures were required to keep order among the population. Even the pacified population presented many problems. They were foreign in speech. in customs, outlook and allegiance, and no policy worked out in advance could be applied at once."

4:Grajdanzev--21　　S-4　　(no date) 1942　　Formosans
116, 175, 177.65　　Japan
636.65

"Finally, a not less important problem was how to make the island pay, for the new masters came to the island not so much in order to benefit the islanders as to benefit themselves. Owen Rutter, explaining the existence of good roads, railways, good streets and other amenities of life in Taiwan, says that 'Money has been poured into Formosa by the Japanese; to them it is like a ewe lamb'. (1) In the following pages however it will be shown that Japan spent relatively very little in Taiwan and received very much from it; that most of what has been done in Taiwan has been done on money raised there.

The history of the island after Japanese occupation will be given along with a description of various phases of human activity in Taiwan."

1. Geographical Journal, London, 1928, p. 286, quoted in the discussion of the report of E. H. Bunsen.

4:Grajdanzev--42 43 S-4 (no date) 1942 Formosans
116, 651, 177.65 Japan
636.65

"The former Chinese government was exceedingly inefficient and taxes were often paid by the farmers on one ko, where [43] actually there were two. After the Japanese survey this became impossible. The 'striking success' of the Japanese government was largely administrative; for the farmers it meant only the trebling of the land tax. As Takekoshi writes: 'To be more exact, before the survey the total area of the fields and fish nurseries was believed to be 890,000 acres which yielded ¥860,706 tax. The result of the measurement . . . shows that the real area is 1,535,163 acres, and the receipts from the land tax have jumped up to ¥2,989,287.' (1) "

1. Op. cit., p. 130.

4:Grajdanzev--64 S-4 (no date) 1942 Formosans -1-2
116, 241, 435, 477, 651, 177.65 Japan
636.65

"Let us now investigate another aspect of sugar cane production. Takahashi, in his book on the economy of Taiwan, (1) points out that as a result of the protective duty on sugar, the Taiwanese farmers receive a subsidy which amounted in 1937 to ¥802.9 per ko. Takahashi arrives at this figure in a simple way: he multiplies the amount of customs duty per kin by the number of kin of sugar contained in the yield of sugar cane from one ko. All this is a fallacy. Let us compare the following figures:

Some Data on the Question of Protection of Sugar-Cane Culture in Taiwan

	1921	1927	1937
A. Sugar content (%)	9.5	10.3	14
B. Yield of sugar cane per ko (1,000 kin)	63.2	89.5	112.5
C. Sugar content of cane per ko (1,000 kin)	6.00	9.22	15.74
D. Value of cane per ko (yen)	696.7	537.0	506.3
E. What the farmer supposedly gets per kin of sugar content (in sen) (D:C)*	11.6	5.9	3.2
F. Protective duty per kin of sugar, standard No. 22 (in sen)	4.7	5.3	7.2

* As was mentioned above, the price in the text is based on the official estimates of the value of the crop, though the farmer probably gets a considerably lower price.

1. Taiwan Keizairon.

4:Grajdanzev--64 S-4 (no date) 1942 Formosans-2
116, 241, 435, 477, 651, 177.65 Japan
636.65

But here we are interested in the trend of the prices and not in their absolute size.

In 1921 the farmer received 11.6 sen for each kin (0.6 kg.) of sugar content, in 1927 only 5.9 sen and in 1937 3.2 sen, while the protection of sugar in the Japanese empire was increasing (im 1921 it was 4.7 sen per kin, in 1927 5.3 sen, in 1937 7.2 sen). The purpose of the duty, clearly, is not so much to protect the 'poor farmer', as to safeguard the monopoly profits of the sugar companies."

4: Grajdanzev--68 [2] S-4 (no date) 1942 Formosans
116, 241, 471, 656, 177.65 Japan
636.65

"These examples--the cotton plan and horse-breeding plan--are extremely significant. The government officials work out plans which can hardly be called realistic and yet the successes of agriculture in Taiwan are very frequently ascribed to the government's efforts and plans."

4:Grajdanzev--131 S-4 (no date) 1942 Formosans
116, 439, 652, 177.65 Japan
636.65

"It might seem more appropriate to examine Taiwan's public finances in a later chapter after a survey of the administrative machinery and its functions. However, one important consideration makes it necessary to consider them here. Our investigation of Taiwan's economy cannot be considered complete without an examination of its external trade. which plays a very important part in the life of the islanders. But the exceptionally heavy movement of goods from the island to Japan cannot be understood simply on the basis of trade or the structure of Taiwan's economy. Certain non-economic factors must be examined before a satisfactory explanation of the movement of commodities can be made. By far the most important among these factors is the government budget, which involves tremendous sums--judging by the standards of the islanders."

4:Grajdanzev--131-132 S-4 (no date) 1942 Formosans
116, 652, 177.65 Japan
636.65

"In 1937, ... the gross value of production of the island was officially estimated at 890 million yen, while the gross revenue of the state for the same year was 203 million yen. If one takes into consideration the fact that the prevailing standards of life in Taiwan are oriental and that most of the families have little, if any, surplus, then a system which succeeds in squeezing out a gross revenue of 203 million yen for the state should be recognized as a remarkable achievement which the administrators of other colonial possessions might well envy. The fiscal system in Taiwan is a powerful instrument with which to extract from the population wealth which cannot be got by ordinary economic means. Of course, if the sums received in this way are applied for the benefit of the subjects themselves, a redistribution of income which fol-[132] lows may in certain cases be recognized as beneficial. If, for example, money which would otherwise be spent by the taxpayers on liquor is spent on the education of the taxpayers' children the results will be recognized as beneficial by most people. Thus we should know not only how much money is collected by the colonial administration, but also how it is spent."

4:Grajdanzev--132 S-4 (no date) 1942 Formosans
116, 127, 652, 177.65 Japan
636.65

"Before giving tables of the revenue and expenditures of the government-general, a few explanatory remarks should be made. (1) We give only net revenue (or expenditures) for the fiscal monopolies (1), railway communications, forests, hospitals, etc., because gross revenue figures give an exaggerated value to these items; (2) on the expenditure side we have changed the classification according to the purpose of the expenditures and all 'extraordinary' revenues and expenditures we combined with ordinary ones in order to give a more complete picture. The official heading, for example, 'grants to the sufferers from natural calamities' is misleading. One might assume that this represents aid rendered by the state to the local population, but on closer inspection one sees that a greater part of this item in the last year was made up of grants to the railways. Under the heading of 'building and repairs' (eizen hi) we find expenditures on airfields (more than one million yen) out of all proportion to the number of passengers carried (about 40 passengers per day), not including subsidies to airlines.

Unfortunately we cannot disentangle many other large items in view of the absence of information, and consequently, the amounts given represent a minimum for certain expenditures (war, police, 'subsidies' to business men, etc.) and if data were available they might be of much larger proportions."

1. In Taiwan fiscal monopolies include salt, camphor, opium, tobacco, and alcohol.

4:Grajdanzev--132-133 S-4 (no date) 1942 Formosans
116, 631, 652, 177.65 Japan
636.65

"First of all let us compare the gross revenue of the government-general, provinces and municipalities, in order to secure a clear idea of their relative importance. [133]

Public Revenues for 1939 (Budget Estimates) (1)

1. Of course, there are probably cases of double counting in this table, e.g. a grant-in-aid from the government-general to provinces may appear in the budget of the government-general and also in the provincial budgets.

	In 1,000 yen	Percent of total
Government-general	208,602	74.4
Provinces	34,610	12.4
Municipalities	36,961	13.2

Thus three-fourths of all revenues pass through the hands of the government-general; compared to it the local administration is of trifling importance, and we may therefore concentrate our attention chiefly on the budget of the government-general."

4:Grajdanzev--133-134 S-4 (no date) 1942 Formosans-1-2
116, 651, 177.65 Japan
636.65

"The sources of revenue of the government-general for the last five years are as follows:

Revenue of the Government-General in 1,000 Yen (1)

1. Including net income from monopolies, railways, communications, forests, textbooks, weights and measures, hospitals.

	1935	1936	1937	1938	1939	1940
	settled		accounts	budget	budget estimates	approx. budget estimates
Taxes (a)	53,978	64,173	72,567	81,873	78,170	93,000
Net Revenue from railways. commun.	12,395	12,888	13,296	16,904	15,250	—
Loans (b)	—	—	—	—	6,400	6,000
Others	5,834	7,007	6,564	9,397	8,420	—
Surplus from the preceding year	29,441	32,605	41,833	46,392	18,373	25,934
Total	101,648	116,673	134,260	154,566	126,613	—

a) Including net profits of monopolies and receipts of stamp duty.
b) Loans were often floated by the government-general before 1939, but were not

4:Grajdanzev--133-134 S-4 (no date) 1942 Formosans-2
116, 651, 177.65 Japan
636.65

included in the general budget because they were made for special purposes. This item, however, represents a deficit. The debt of the government-general, at the beginning of 1939, probably stood at about Y 94 million.

Insofar as the 'surplus from the preceding year' cannot be considered as an independent source of revenue, it is clear that the greater part of the revenue of the government comes from taxes (including fees and fines). If we add the taxes to be collected by the provinces and municipalities, the total amount [134] of revenue from taxes was 124.3 million yen for 1938 and 122.5 million yen for 1939--large amounts for an oriental island, agricultural in character, and with a population of only six millions(2). Compared with

2. An official investigation of farmer's budgets made in 1936 revealed that direct taxation of farmers in Taiwan is twice as high as in Japan (Nasu, op. cit.).

1935 the amount of taxes to be collected from the population in 1938 increased by 52%, and this increase was resumed in 1940 and 1941."

4:Grajdanzev--134-136 S-4 (no date) 1942 Formosans-1-5
116, 434, 565, 651, 177.65 Japan
636.65

"Taxes may be of different types--some falling chiefly on the rich, whose ability to pay is, of course, greater than that of the average farmer. We do not have necessary information for a detailed analysis of how the tax burden is distributed between these two groups, but what is available gives clear indications. We have divided the taxes into two groups: (a) taxes on the recipients of large incomes; (b) taxes on the masses.

Taxation and Net Monopoly Receipts in 1,000 Yen

A. Taxes on the recipients of high incomes:

	1935	1936	1937	1938	1939
	settled accounts			budget	budget estimates
Income Tax	3,873	5,285	9.538	13,024	12,395
Tax on capital		5	189	352	855
Mining Tax	200	203	291	353	327
Special profit tax	1,016	1,575	2,761	4,979	2,444
Tax on distribution of dividends		335	425	394	850
Inheritance tax			105	279	305
Total	5,089	7,403	13,309	19,381	17,176

4:Grajdanzev--134-136 S-4 (no date) 1942 Formosans-2
116, 434, 565, 651, 177.65 Japan
636.65

B. Taxes on the masses of the population:

	1935	1936	1937	1938	1939
					budget
	settled accounts			budget	estimates
Land tax	7,492	7,742	7,938	8,342	8,342
House tax					1,312
Business tax a)			2,931	3,290	2,726
Tax on sugar	3,320	3,461	4,050	6,702	5,215
Tax on alcohol b)	3,698	3,845	2,913	169	100
Taxes on other commodities	2	177	275	393	826
Customs duties and other duties connected with them	2,611	3,326	2,574	1,846	1,817
Stamp duty	5,107	7,271	7,220	7,653	5,926
Monopolies, net receipts	24,555	28,968	29,652	32,845	32,568
Net profits from text-book sales c)	103	29	75	74	24

4:Grajdanzev--134-136 S-4 (no date) 1942 Formosans-3
116, 434, 565, 651, 177.65 Japan
636.65

[135]	1935	1936	1937	1938	1939
	settled accounts			budget	budget estimates
Profit on weights and measures d)	179	209	206	331	341
Fines and confiscations e)	1,091	529	224	362	224
Tax on railway fares				205	202
Admission ticket tax				116	124
Tax on construction					152
Amusement tax					188
Other taxes	731 f)	1,213 f)	1,200 f)	164	907
Total	48,889	56,770	59,258	62,492	60,994
The same as percentages of total					
Group A.	9.4	11.5	18.3	23.6	22.0
	90.6	88.5	81.7	76.4	78.0

a) We include business taxes in this group because it is legitimate to suppose that they are shifted by the business men to the population.

b) The fall of receipts from the tax on alcohol in the last two years is due to the introduction of a state alcohol monopoly.

4:Grajdanzev--134-136 S-4 (no date) 1942 Formosans-4
116, 434, 565, 651, 177.65 Japan
636.65

c) Formally this is not a tax, but a surplus remaining after deduction of expenditures on printing of textbooks from receipts. However, state profits derived from the sale of textbooks to school pupils hardly can be considered otherwise than a tax.

d) As in the preceding item this represents a surplus from a form of fiscal monopoly.

e) Formally fines and confiscations are not taxes. But their regularity (they are foreseen in the budget) and their amounts show they are not 'casual' receipts. They fall, mainly, on the Chinese population.

f) Chiefly receipts from the taxation of surplus issues of Bank of Taiwan notes.

From this table it may be seen that about 80 to 90 percent of the taxes fall on the masses of the population and only 10 to 20 percent on the wealthier groups. The percentage of taxes contributed by the well-to-do rose from 9.4 in 1935 to 22.0 in 1939, but it would be a mistake to suppose that this implies a change of policy: the exigencies of wartime and the already oppressive burden of taxes on the masses make it more and more difficult to increase that burden. Under these conditions, heavier taxation of the rich is a necessity. but the government prefers to borrow from them, not to tax them: the loans amounted to six million yen in 1939 and are expected to amount to 17 million yen in 1941.

The actual tax-burden on the masses as compared with the wealthy is considerably

4:Grajdanzev--134-136 S-4 (no date) 1942 Formosans-5
116, 434, 565, 651, 177.65 Japan
636.65

greater if we include provincial and [136] local taxes. We have no data on the exact distribution of local taxes, but provincial taxes can be measured. Provincial taxes are surtaxes, calculated as a percentage of the corresponding government-general taxes. Their rates are as follows:

Surtax on income tax	18%	of income tax
Surtax on land tax	90-100%	of land tax
Surtax on business tax	70-80%	of business tax
Surtax on house tax	120-150%	of house tax

These rates show that surtax on income tax (which falls chiefly on the recipients of high incomes) is only 18%, while surtaxes on taxes falling on the masses of population range from 70 to 150%."

4:Grajdanzev--136-137 S-4 (no date) 1942 Formosans-1-2
116, 651, 177.65 Japan
636.65

"The special tax is a combination of property and income tax, but it cannot play an important part in local taxation in Taiwan because as a rule the recipients of large incomes in Taiwan do not live there--their residences being in Japan proper. Consequently this tax falls chiefly on the middle and lower brackets, so that the chief burden of local taxation falls on the masses to an even greater degree than in the case of the taxes of the government-general.

We cannot calculate the general incidence of taxation in Taiwan, but we can get an idea of the burden it represents in the following way: land taxes in the 1939 budget total about 22,350,000 yen (1). In this figure are included taxes on improved land, forest land, fish ponds, and other land to the amount of [137] 3,060,000 yen (2). Thus, 19,280,000 yen are

1. This figure is arrived at as follows: (a) the land tax of the government-general is 8,342,000 yen; (b) the provincial land tax is 7,805,000 yen; (c) we have no figure for the local land tax, but we assume that the relationship is about the same as in Japan proper, which would give a figure of 6,200,000 yen. Thus the total amount of taxes on land is about 22,350,000 yen.

2. The taxes of the government-general on lands of this kind amount to 1,143,000

4:Grajdanzev--136-137 S-4 (no date) 1942 Formosans-2
116, 651, 177.65 Japan
636.65

yen, but insofar as provincial and local taxes bear a definite relation to the basic tax, the total is estimated to be about 3,060,000 yen.

paid on 856,900 ko of taxable land, i.e. 22.5 yen per ko. Since the agricultural population of the islands represents about 60% of the total population, the average amount of land per person in the agricultural population of Taiwan is about 0.37 ko (about 0.9 acres). A tax of 22.5 yen per ko is equal to one and a half to two months' wages of an agricultural worker (3); and the levy on land is only one among many taxes.

3. Daily wages of an agricultural worker are about 0.80 sen; monthly, 8 yen to 18 yen. Source: Taiwan Jijo.

But as was mentioned above, it is important to know for what purposes the sums collected are applied. The harshness of taxation may be mitigated by beneficial ways of spending the revenue."

4:Grajdanzev--137-138 S-4 (no date) 1942 Formosans-1-5
116, 465, 652, 177.65 . Japan
636.65

"The expenditures of Taiwan government-general may be classified as follows:

Expenditures of the Government-General (1,000 Yen) (1)

1. Source: Okurasho Nempo.

Purpose [a]	1935	1936	1937	1938	1939
	settled accounts			budget	budget estimates
Government-general	1,758	1,939	2,289	2,232	2,416
Grants to local governments	14,704	14,985	15,733	16,171	16,648
Pensions	4,915	4,898	5,088	5,190	5,414
Public finance [b]	9,210	8,623	9,412	9,920	14,315
Police, court, prison [c]	4,474	4,547	5,437	5,534	5,342
General hygiene, hospitals [d]	716	572	833	978	1,204
Education	4,720	5,096	5,499	4,119	4,840
University [e]	295	322	349	3,236	3,797
Research and Investigations	2,630	2,570	3,055	3,186	3,929

4:Grajdanzev--137-138 S-4 (no date) 1942 Formosans-2
116, 465, 652, 177.65 Japan
636.65

	1935	1936	1937	1938	1939
	settled accounts			budget	budget estimates
Railroads and roads (new construction)	7,136	8,537	8,475	9,839	9,588
Ports, rivers	9,113	9,625	10,669	9,120	13,327
Communications (new construction)	717	1,623	1,718	1,442	1,798
Help to sufferers in natural calamities	2,894	435	600	1,272	326
Development of State lands	204	193	335	445	497
Rice control	405	1,180	1,218	121	2,217
War	287	2,017	8,727	18,299	21,150
Meteorological stations [138]	73	94	278	507	890
Propaganda	146	155	427	1,228	1,957
of which for 'spiritual mobilization'			37	57	60

4:Grajdanzev--137-138 S-4 (no date) 1942 Formosans-3
116, 465, 652, 177.65 Japan
636.65

	1935	1936	1937	1938	1939
		settled accounts		budget	budget estimates
'Expenses of establishments (shisetsu) in South China and the South Seas'	583	618	1,080	2,046	4.074
Secret funds	181	176	176	159	190
Encouragement of industry	3,969	5,707	5,873	9,058	11,468
Temples and shrines	709[f]	134	349	377	599
Total	69,839	74,046	87,620	104,479	125,986

a) The classification offered here is in most cases quite different from the official one; see below for explanations.

b) Chiefly debt service and the cost of tax collection.

c) Not including those paid from the budget of local governments.

d) These are net expenditures, receipts from the patients are deducted.

e) As will be shown later, the University serves chiefly the Japanese. It existed before 1938, but the expenditures were not disbursed from the budget of the government-general.

4:Grajdanzev--137-138 S-4 (no date) 1942 Formosans-4
116, 465, 652, 177.65 Japan
636.65

f) Includes expenditures on the memorial exhibition ('Forty years of Japanese rule').

To this it is useful to add the table of expenditures of provincial and local governments:

Expenditures of Provincial and Local Governments (1,000 Yen)

	1938 budget	1939 budget estimates
Cost of government, including police	8,289	7,630
Debt service	4,389	4,413
Education	13,177	14,144
Hospitals and hygiene	5,447	5,193
Encouragement of industry	5,172	6,488
Guards	757	1,110
Public Works	7,156	7,052
Repairs	6,796	4,361
Shrines	146	103
Other expenditures	19,827[a]	21,159[a]
Total	71,156[a]	71,653[a]

a) This includes several millions in cases of double counting

4:Grajdanzev--137-138 S-4 (no date) 1942 Formosans-5
116, 465, 652, 177.65 Japan
636.65

(grants from the provincial governments to local ones), but we have no means of tracing them."

4:Grajdanzev--138-139 S-4 (no date) 1942 Formosans-1-2
116, 563, 659, 723, 177.65 Japan
636.65

"The expenditures on the government apparatus, including police, courts, prisons, and pensions are chiefly, in some cases [139] exclusively, expenditures on the Japanese staff and for the benefit of the Japanese. All important government positions are occupied by Japanese and their salaries are much higher than those of the Chinese. Expenditures on roads, railroads, and communications, of course, benefit the local population as well as the Japanese, but as was shown in preceding chapters, these improvements are used chiefly by the Japanese or for commerce with Japan which brings little net gain to the islanders. Expenditures on ports are out of all proportion to the needs of the island. Their function is, as the Japanese openly announce, to serve as a base for the advance to the South, and such expenditures have little to do with the welfare of the islanders. Expenditures on rice control are again expenditures in the interest of Japan proper for this system has in view simply the interest of Japanese. In the war expenditures we have included expenditures on airfields, on Red Cross activities, on air defense and contributions to the war chest of Japan. These expenditures grew from the modest figure of 287,000 yen in 1935 to 21,150,000 yen in 1939; thus Taiwan contributes to the conquest of China by the Japanese. In the war expenditures should be included expenditures on meteorological stations. Their remarkable growth from 73,000 yen in 1935 to 900,000 yen in 1939 is explained not by any interest in meteorological phenomena, but by the

4:Grajdanzev--138-139 S-4 (no date) 1942 Formosans-2
116, 563, 659, 723, 177.65 Japan
636.65

needs of the Japanese military aviation. Taiwan lies in the path of typhoons and information on weather conditions there is of extreme value to the Japanese forces in China."

4:Grajdanzev--140 [2] S-4 (no date) 1942 Formosans
116, 346, 563, 659, 177.65 Japan
636.65

"The shrines and temples mentioned above are not Chinese temples, but Japanese shrines, including a shrine to the spirits of the war-dead on which 100, 000 yen was expended in 1939. It may be interesting to note that construction of Japanese shrine in Taito (1937-1939) was to cost 1, 078, 000 yen, while the appropriations for the Chinese temple of Confucius in Taihoku (1935-1936) amounted to only 20, 000 yen."

4:Grajdanzev--140 [31 S-4 (no date) 1942 Formosans
116, 652, 657, 177.65 Japan
636.65

"Expenditures on the health and education of the population occupy a rather modest place in the budget of the government-general, and their part in total expenditures is falling, as the following figures show: (percentages of total expenditures)

	1935	1936	1937	1938	1939
Education[a]	6.8	6.9	6.3	4.5	3.8
Health	1.0	0.8	1.0	1.1	1.0

a) Expenditures on the University are not included here as before 1938 they were not included in the general budget, and we have no data on them.

However, it should be pointed out that the bulk of these expenditures passes through local budgets--14,144,000 yen on education and 5,193,000 on health in 1939."

4:Grajdanzev--140-141 S-4 (no date) 1942 Formosans
116, 648, 652, 659, 723, 177.65 Japan
636.65

"The large expenditures on railways and communications, on research, on investments in the South Seas, etc., show what importance the Japanese attach to the part of Taiwan in the schemes for an advance to the South. The money [141] collected in the Taiwan budget--almost 200 million yen--is thus mainly used, on the one hand, for the construction of the all-important base for Japanese penetration in the South Seas, on the other, for the purchase of Taiwanese products to be sent to Japan (1).

1. In the last few years the Japanese government has started the practice of direct contributions by the Taiwan Treasury to the Japan's Treasury. The sum appropriated in Taiwan's budget for 1941, for example, is 24.5 million yen."

4:Grajdanzev--176-177 S-4 (no date) 1942 Formosans -1-2
116, 175, 208, 563, 668, 177.65 Japan
636.65

"Political Movements (1)

1. The information concerning these movements is taken chiefly from Yanaihara, op. cit., and from Sekai nenkan, 1939.

As was shown in the historical section of this book, the island was not actually acquired by the treaty of Shimonoseki, but was conquered by the Japanese. This conquest took seven years and the Japanese recognize that the island was pacified only about 1902. However, in 1907 the Peipu rebellion broke out, the immediate cause being an attempt on the part of the officials to use the paochia in the subjugation of the savages. In 1912 the Linchi rebellion broke out in connection with the felling of the bamboo forest by Mitsui interests, and in 1915 [177] there was a new rebellion at Hsilaian. All these rebellions were suppressed by the government. These and other spontaneous movements, the information concerning which was withheld by the government, are classified by the Japanese as rebellions of the old type, to distinguish them from newer movements guided by persons with modern education and ideas. The first of these movements was led by a Japanese, Taisuke Itagaki, who came to Taiwan in November 1914 and organized Dokakai, the Assimilation Society. The purpose of Itagaki was not a revolutionary one; he wanted to see the Chinese of the island assimilated by the Japanese. He realized however, that this assimilation could not take place unless the Chinese of the island

4:Grajdanzev--176-177 S-4 (no date) 1942 Formosans-2
116, 175, 208, 563, 668, 177.65 Japan
636.65

were given equal treatment and equal opportunities in education. But such ideas appeared too dangerous to the government-general and the movement was suppressed in February 1915. Another stimulus to the awakening of political consciousness in the Chinese was given by Lin Hsien-t'ang, a wealthy Chinese who petitioned the government to permit him to open a private middle school in Taichu for the Chinese. The idea was evidently so strange and radical to the Japanese that they consider this application an important stage in the political development of the island. In 1918 the Chinese from Taiwan who studied in Tokyo organized the Domeikai, an organization the primary purpose of which was to effect the abolition of some especially harsh laws in Taiwan. In 1919 this organization started a monthly publication Taiwan Youth, which a few years later was changed into a weekly. At that time the attempt to transfer its publication to Taiwan failed, but the organ became the spearhead of the educational movement and in the 'liberal' years of 1927-30 this publication succeeded in moving to Taiwan and turned into a daily newspaper, the fate of which has already been described."

4:Grajdanzev--191-193 S-4 (no date) 1942 Formosans-1-3
116, 553, 563, 723, 177.65 Japan
636.65

"In any case. the Japanese government understands the abnormality of the situation [i.e. the unexpressed and expressed hostility of the people of Taiwan toward the Japanese--analyst] and the dangers connected with [192] it. To this 'domestic' consideration a special consideration of grand strategy is added. The militarists of Japan realize that the successful management of the Eastern Asia Co-prosperity sphere cannot be realized without the goodwill of at least some groups of the local population. They plan to retain the semifeudal organization of the Dutch Indies, Thailand, Malaya, etc., but to supplement it on the one hand with direct control over rajahs, sultans, chiefs and so on, on the other hand with an indirect control through the Chinese. In each country of Southeastern Asia there are millions of Chinese, chiefly of Kwangtung and Fukien origin. Their numbers could be easily increased, because through administrative measures their immigration has been kept down. In some countries only a very small number were admitted annually; in other permits to immigrate were given more or less freely, but on condition of payment of a very high head tax. The Japanese can easily double or treble the number of immigrants, putting as the only condition of migration a guarantee of the 'political reliability' of the emigrant. The Chinese have played an extremely important part in the economic life of the countries of Southeastern Asia. This part would be greatly increased on the one hand through repeal of certain limitations upon the activities of the Chinese, on the other hand through the systematic financial assistance given by the Japanese banks to the Chinese businessman, especially to middlemen. Of

4:Grajdanzev--191-193 S-4 (no date) 1942 Formosans-2
116, 553, 563, 723, 177.65 Japan
636.65

course, the activities of the Chinese would be controlled by the Japanese, and here the Chinese from Taiwan come into the picture. Many of them beside their own native language speak Japanese also. The number of such persons can be easily increased, especially if the youth of Taiwan knows that lucrative positions will be opened for them. Thus, two lines of control can be used: on the political side—local population—rajahs—the Japanese commissioners—Tokyo; on the economic side—local population—Chinese middlemen controlled by the Taiwanese or with the help of the Taiwanese—the Japanese monopolistic concerns. The local population will be then thoroughly con-[193] trolled by the Japanese; on the other hand it will be racially divided and unable to present a united front against its masters. The Chinese will know that their interests and privileges depend upon the favor of the Japanese, their economic interests will oppose the interests of the local population. The Japanese militarists hope in this way to reconcile the native population of the island to alien rule. They declare that the greatest immediate problem in respect to the Chinese population of the island is kominka or turning them into imperial people, or more simply, some kind of assimilation. A campaign for the spread of the Japanese language is being conducted; the Chinese are encouraged to change their names into Japanese; various patriotic and chauvinistic societies have been established in order to influence the mind of the Chinese youth. One should not conclude from these facts that the Japanese want to establish a racial equality in this

4:Grajdanzev--191-193 S-4 (no date) 1942 Formosans-3

116, 553, 563, 723, 177.65. Japan

636.65

'co-prosperity' sphere. The Japanese authorities complain that very few islanders change their names. Actually only a few hundred have used this privilege. However, this change of name is not so simple: each case has to be approved by the governor, and it is clear that approval is given only to those who can prove their complete fidelity to their masters."

4:Grajdanzev--193 S-4 (no date) 1942 Formosans
116. 177.65 Japan
636.65

"Thus, so long as the Japanese are successful in their aggression, their base in Taiwan is more or less secure; the experience which they have acquired in subdividing the Formosan people will help them considerably in Indo-China, the Philippines and other countries of Southeastern Asia. It is quite probable that some groups of the Chinese population of Formosa may be willing to 'cooperate' with their masters in subjugation of other countries. But if the victorious march of the Japanese is stopped or turned back; if the economic difficulties mount, as they certainly would in such an event, then Taiwan, with its restless and discontented population may become a base of doubtful value. But this will happen only when the military prestige of the Japanese has received a powerful blow from outside."

15: U.S. Navy--26 [12]　　(no date) 1944　　Formosans
116, 511, 656, 177.65　　Japanese
636.65

"The Japanese have immeasurably improved living conditions in Taiwan by systematically developing communications, public health measures, commodity distribution, agricultural planning and the like. Their efforts have been directed toward the improvement and control of the livelihood of the Formosan in order that he may better contribute to the total economic and strategic value of the island. Brigandage has been eliminated and the roads made safe. The whole organization of Formosan life has gone through much the same development and standardization that Japan has experienced since 1868, save that in Taiwan change has been an official policy executed methodically under police supervision with no regard to local opinion or tradition."

15: U.S. Navy--29 [4] (no date) 1944 Formosans
116, 364, 651, 656, 177.65 Japanese
636.65

"The Japanese have enforced rigorously a system of household registration. At the door of each dwelling there is displayed a plaque bearing the name of the head of the house. Near it are pertinent receipts or certifications received from the police which testify to registration at the nearest police station, house-inspection and approval, vaccinations or innoculations required of all members of the household, certain tax receipts, and such other data which the police may require from time to time to be displayed in a public and easily checked place. In the cities small insignia or notices indicate the public utilities available in each house."

15: U.S. Navy--31 [9] (no date) 1944 Formosans
116, 466, 651, 177.65 Japanese
636.65

"The hoko system of mutual responsibility within households and local communities is under closest police supervision and control. Through it the government can demand and receive contributions both of hours of labor and of taxes in kind. Close check can be kept also on all labor unrest and agitation."

25: Plaut--28-29 U-4 (no date) 1903 Formosans-1-2
116, 114, 654, 177.65 Japan
636.65

Anyone who knew the conditions [EJ: previous to Japanese occupation] realized that if the new order were to be a permanent one, it would have to be based on the existing circumstances; these circumstances were the culture, customs, laws and habits of the [29] most important and largest element of the population, or the Chinese, and so the first thing to do was to make a thorough study of the old system. A number of capable men were set to this task, and they collected a great deal of material. An imperial decree established a Commission to inquire into the old customs on Formosa, and it was under the direction of Okamatsu Santaro, Professor of Law at Kyoto University. This group was charged to examine the available information and to get some more. That was on the 25th of October 1901. That same year Professor Okamatsu published his first report by order of the Governor General, and in 1902 it appeared in English under the title of: "Provisional Report on Investigations of Laws and Customs in the Island of Formosa compiled by order of the Governor-General of Formosa by Santaro Okamatsu."

The report begins with a brief survey of the history, administration and judicial procedures of the island, then there is a detailed description of the legal status of the lands, their division according to the nature and utilization of the soil, the land tax, inheritance and loss, purchase, sale and lease, as well as of the legal forms relating to these contracts, and there is also a discussion of irrigation and the rights and taxes which it entails. In conclusion he has a brief discussion of the family rights of the Chinese

25: Plaut--28-29 U-4 (no date) 1903 Formosans-2
116, 114, 654, 177.65 Japan
636.65

inhabitant. In an appendix he has added a glossary of the Chinese terms which were used in the work, and then there are 89 "References", or examples of documents in Chinese, as they are used in various legal affairs.

All in all, the report is a valuable contribution not only to our knowledge of Formosa, but to the study of comparative jurisprudence as well.

31: Hofmann--603 N-3 (1909) 1912 Formosans
116, 366, 543, 657, 177.65 Japanese
636.65

During my stay of one week in the capital and the neighboring regions, I was greatly impressed by the energy with which the Japanese had stimulated the culture of Taihoku. There were extensive government buildings, broad streets, water pipes, schools, barracks, hospitals, reformatories, railroads, telegraph and telephone connections; everything, in short, that is considered representative of western culture. Everywhere there are signs of Japanese patience, energy, and initiative which form a striking contrast to the confusion and negligence of the Chinese regime. There is a museum in Taihoku which is well worth seeing, with an extensive collection of the abundant fauna and flora of this island; it is because of the copious vegetation that Formosa for so many centuries has been the cynosure of all those nations who sought to expand their boundaries. There is also a botanical garden where a large number of useful and interesting plants has been systematically arranged and it is calculated to impress any visitor to the tropics. There is one hotel in Taihoku which, judged even by European standards, is excellent; it offers all the comforts of a tropical hotel.

4:Grajdanzev--171 S-4 (no date) 1942 Formosans
116, 208, 641, 625, 177.66 Japan
636.66

"Taiwan was conquered by the Japanese army. The regime which was established there was a military regime, and with few modifications it continues to be a military regime today. The government does not trust the Chinese, spies upon them, and is afraid of any movement which does not emanate from the government-general itself. Suppression of the Chinese culture and forcible japanization of the islanders is considered by the government as the best means of turning the islanders into loyal subjects of the Empire."

4:Grajdanzev--177-178 S-4 (no date) 1942 Formosans
116, 668, 177.66 Japan
636.66

"The World War brought in its wake unrest and political agitation. Lin Hsien-t'ang, together with many other Chinese, petitioned the Imperial Diet in February 1921 for the establishment of a parliament in Taiwan and for some kind of home [178] rule. The diet paid no attention either to this or to the following petitions, but the government-general arrested hundreds of persons in 1923 in order to stop the movement (1).

1. This is the Japanese version. Professor R. Goldschmidt, who visited the island in 1926 and who is in general an admirer of Japanese colonial methods, writes as follows: 'There are rumors that the movement was suppressed with 3,000 death sentences. But the notorious Japanese system of secrecy makes this difficult to verify.' (Translated from the German, Neu Japan, Berlin, 1927. pp. 109-110.)"

4:Grajdanzev--178-179 S-4 (no date) 1942 Formosans -1-2
116, 467, 656, 668, 177.66 Japan
636.66

"In October, 1921, Lin Hsien-t'ang, Ts'ai Pei-ho (who was arrested in 1923), Chiang Wei-sui and others organized the *Taiwan Bunkakyokai* (Taiwan Cultural Society), which very soon became the centre of the national movement among the moderate elements. But in 1926 the Marxist groups made their appearance on the island for the first time when twenty Chinese formed the Taiwan Proletarian Youth League (*Taiwan Musan Seinenkai*). Since that time the political movement has separated into two branches—the Moderates centered around the *Bunka Kyokai* and were strongly represented in the Taiwan Agricultural Cooperatives, and the revolutionary Marxist organizations closely connected with the workers union (*Taiwan Koyuso remmei*), which in 1928 was reported to have had as many as 6,367 members and to have organized several successful strikes. However, after 1928 there began a new era of suppressions and arrests and one after another the Chinese organizations fell victims to it. The Marxist groups were the first to go. In 1931 the *Taiwan Koyuso remmei* was suppressed and finally in August 1937 even the most moderate movement of the right wing organizations, the purpose of which was the reform of local government, was dissolved on the claim that the government had already realized this reform.

This, of course, does not mean that all these movements were eradicated; they went underground, and continued their struggle, but the government suppression made even moderate groups more radical than they were before. In 1931 Taiwanese in Shanghai reorganized their Taiwan Youth Party into the Anti-imperialist League. It had close

4:Grajdanzev--178-179 S-4 (no date) 1942 Formosans -2
116, 467, 656, 668, 177.66 Japan
636.66

connections with Taiwan, where its members from time to time were rounded [179] up by the police."

4:Grajdanzev--191 [21 S-4 (no date) 1942 Formosans
116, 162, 563, 668, 656, 723, 177.66 Japan
636.66

"It was shown in the first chapters of this book that the Japanese on the island form only a very small part of the population of the island. The mass of the population is formed by the Chinese who came to the island from Fukien and Kwangtung. In spite of the Japanese government during the past decades they have remained Chinese in their thought, in their language, religious beliefs, customs, dress. The importance of Taiwan as a base for Japanese aggression is in this respect anomalous. An island where there are more than five million potential (and in some cases actual and active) enemies cannot be considered as a perfect base. Just across the straits lies China, unconquered in spite of four years of war. Underground organizations of Chinese exist on the island, and their representatives in Chungking claim many achievements, including acts of sabotage, open fighting with the Japanese troops by Taiwan guerillas and so on. There is no way to check these claims, because the [Japanese--analyst] Government-General a long time ago turned Taiwan into a news-proof prison, from which no information is available, except that which the Government-General pleases to publish for the benefit of credulous foreigners."

15: U.S. Navy --21 [3]
116, 186, 563, 177.66
636.66

(no date) 1944

Formosans
Japanese

"The first generation of Japanese in the island came as adventurers who hoped to get rich quickly in the wake and under the protection of an occupying army. A domineering and ruthless attitude toward the native population has persisted, although the second or younger generation is beginning to identify itself with the island. It has been bred away from a strong homeland (Japan Proper) tradition. Although the essence of home and school training is emphasis on 'true Japanese spirit,' in practice the lives of these young Japanese are governed by the colonial situation in which they find themselves. They have a strongly developed 'exploitation' and imperialist outlook which prevents them from learning anything of the language or customs of the people among whom they live. Very few Japanese can speak elementary Formosan-Chinese."

15: U.S. Navy --22 [2] (no date) 1944 Formosans
116, 181, 668, 177.66 Japanese
636.66

"Formosans who have received the advantages of a Japanese education naturally expect opportunities in return. If such cannot be found in Taiwan, nor in China or Japan, discontent may increase. The Formosan temperament is not aggressive, but 'Old Formosa Hands' remark that this temperament often finds devious ways of achieving desired ends in spite of official control.

The Formosans lack leadership, for the Japanese have destroyed out-spoken opposition or have driven it underground and abroad. Only through pressure of Japanese occupation did there begin to develop a sense of the interests of the Formosan people as a whole, and the formulation of a political program embracing the welfare of the island vis-a-vis Japanese policy."

15: U.S. Navy --22 [7]
116, 181, 266, 578, 177.66
636.66

(no date) 1944

Formosans
Japanese

"Through the past twenty years observers have commented on the passivity, and the subserviency of the Formosan-Chinese to Japanese rule. However sullen or resentful the general populace may be, they have been without effective means of resistance. This is not to be attributed to meekness or lack of spirit, but rather to the extremes of force and cruelty with which the Japanese established initial order and imposed their elaborate system of controls, reaching into every household on the island and placing upon the members collective responsibility for the acts of individuals. Even the most generous allowances cannot conceal the fact that before the Japanese came the Formosan-Chinese population as a whole was capable of extremes of ferocity in mob action among themselves, not stopping short of ritual cannibalism (the eating of the hearts and livers of victims to acquire strength and spirit), nor of the cold-blooded sale of the flesh of captured aborigines on the open market both on the island and across the channel along the coast of Fukien. In the years before 1941, educated Formosans commented frequently (and of course privately) upon the probable extremes of mob action likely to be directed against the Japanese if ever an opportunity should be presented. That the Japanese are aware of this was amply demonstrated on February 18, 1938, when the attack of a single bomber from China caused the authorities to barricade public buildings and to set up machine guns throughout the capital city before they sounded the air raid alarm. The guns were directed at the Formosan-Chinese population."

15: U.S. Navy--22 [9] (no date) 1944 Formosans
116, 186, 668, 563, 177.66 Japanese
636.66

"It is evident from an analysis of election returns that the greatest interest in politics and representative government is shown in the districts where the Hakka people are predominant, notably in Shinchiku Province. It is also notable that many of the leaders of fierce resistance to the initial Japanese invasion of the island were Hakka people or people from areas in which the Hakka predominate. Not only is government -processed opium said to be more easily accessible in Shinchiku Province, but it is in this district that the Japanese have taken greatest pains to destroy local religious cults, and to press the Japanization program."

4:Grajdanzev--105-106 S-4 (no date) 1942 Formosans
Japan
116, 376, 457, 177.71
636.71

"Cheap water power is an important asset to Taiwan in all plans for its industrial development. Prior to 1930 it was estimated that the twenty-three major streams can produce as much as 1,040,000 kw., but, according to Takahashi, recent estimates put the capacity at a much higher figure—about two million kw. Of this about 230,000 to 240,000 kw. was utilized in 1939. Development before 1933 was slow. In 1919 the capacity was 10,000 kw.; in 1933, about 40,000 kw. But in 1930-31 a project was worked out for the utilization of Jitsugetsutan (Lake Candidius), a lake in the mountains in the centre of the island located 726 m. above sea level. The project was elaborated chiefly for the purpose of creating an armament industry (1) but there was no money to finance it, so work on the project stopped. Finally, money was found in the United States, where in July 1931 a loan of US $22,800,000 or ¥45,737,210 was arranged. In October 1931 work was resumed and in 1934 the project was completed. In July [106] 1937, a second project was finished at the same lake."

1. That the primary motives were military is definitely stated in Taiwan Jijo, 1939, p. 418, and Sekai nenkan, 1939, p. 177.

4:Grajdanzev--4 [2] S-4 (no date) 1942 Formosans
116, 101, 177.72 Japan
636.72

"Taiwan is therefore halfway between Shanghai and Hongkong and halfway between Tokyo and southern Indo-China. This makes it an extremely important point for the Japanese. Geographically it is nearer to China and to the Philippine Islands than to Japan. Since its conquest the Japanese have looked upon Taiwan as a base for their advance to the south, as a stepping-stone toward domination over the adjacent areas."

4:Grajdanzev--139-140 S-4 (no date) 1942 Formosans
116, 648, 659, 177.72 Japan
636.72

"Expenditures for the penetration of Southern countries and [140] 'secret funds' are scarcely likely to benefit the Chinese population of Taiwan."

4:Grajdanzev--170-171 S-4 (no date) 1942 Formosans
116, 175, 114, 204, 177.72 Japan
636.72

"Tadao Yanaihara, writing in 1929 when no Chinese newspaper was published, tried to find the cause of the difference between Taiwan and Korea (in the latter newspapers in Korean language are published). He thinks that the cause lies in the former independence of Korea and a resulting [171] Japanese deference to world public opinion, whereas Taiwan was a former Chinese colony and thus Japan did not have to make the same concessions to world opinion (1). We believe that this explanation is inadequate. The Japanese government had few scruples concerning world opinion for example in 1919 when it brutally suppressed the national movement of the same Korean people. The explanation is simpler. Korea was sold out peacefully by her rulers to Japan and at the time her people acquiesced in this sale, whereas the people of Taiwan did not recognize the cession of Taiwan to Japan. It is important to note that the act of cession took place not in Taiwan, but on the sea. The representative of the Peking government transferred Taiwan to the Japanese plenipotentiary on the open sea because Taiwan was in a state of turmoil. Abandoned by the government, betrayed by militarists, the islanders continued the unequal struggle for several years."

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1. Page 229. op. cit.

4:Grajdanzev--188 S-4 (no date) 1942 Formosans
116, 648, 652, 177.72 Japan
636.72

"All this [i.e. Japanese penetration to the South--analyst] required additional grants, and grants were forthcoming. In 1937 the Taiwan Government-General appropriated for the purposes of southern policy Y1,061,000; in 1938 Y1,552,000; in 1939 Y4,073,000; in 1940 Y5,387,000; in 1941 Y8,002,000. These figures may serve as an index of Japan's preparations for war in Southeast Asia. These sums were earmarked for work outside of Taiwan; but at the same time other amounts, enormous by Taiwan standards, were set apart from the Government-General budget for the construction of the base for southern advance in Taiwan. These expenditures from a minimum of 25 million yen in 1937 rose to a minimum of 50 million yen in 1941."

4:Grajdanzev--188-189 S-4 (no date) 1942 Formosans
116, 723, 177.72 Japan
636.72

"As for the future, the Japanese writers are not sure themselves whether Taiwan will not follow the fate of Okinawa Islands which, after the acquisition of Taiwan became a forgotten geographic name. But there is little doubt as to the importance of the island for the southern advance now and in the immediate future. First of all, the geographic position of Taiwan is favorable. Takao, in the southern part of Taiwan, is nearer to Manila than to Yokohama, and is just half way between Yokohama and Saigon, southern Indo-China. Takao is 1,495 miles from Yokohama and 1,800 miles from Singapore. [189] For certain purposes Hainan Island, seized by the Japanese in 1938-39 is an even better base for Japanese action in Southeast Asia, and there is no doubt that many of the transports of troops that are now attacking the Philippines came from Hainan. However, Haikow, the chief port of Hainan, was occupied by the Japanese only on February 10, 1939, and there was not time enough to make it a good modern base, especially because of the continued unrest and guerilla activities in the interior of the island. Taiwan for many years was being systematically prepared as a base for the army and navy operations in the South while the United States undertook an obligation not to fortify its bases in the western Pacific."

15; U.S. Navy --26 [8]
116, 596,736, 626, 177.73
636.73

(no date) 1944

Formosans
Japanese

"There are social welfare departments in the Government which endeavor to care for persons without support or livelihood. The family system absorbs the majority of such cases, for a moral obligation lies upon the entire family to support and to share with all members. Property and the income from it is held in common. An able-bodied person who shirks his duties and tends to become a charge upon the family is open to reproof by the elders and by the family council. In extreme cases a member may be cut off from the clan in disgrace and so have no further claim upon it.

Those who are ill, the aged and the physically handicapped can claim the same support from the family group. Hence few appear as public charges."

15: U.S. Navy --26 [9] (no date) 1944 Formosans
116, 732, 759, 548, 874, 177.73 Japanese
636.73

"Schools for the blind, the deaf, and the dumb are maintained at Government expense at Taihoku and Tainan. In addition to instruction in Braille, pupils are taught various skills, of which the most important are weaving, chiefly of panama hats, and massage. Graduates of the school who have passed the required masseur's examination are licensed to practice, and are assigned districts or routes over which they go every evening from nightfall until midnight, with a whistle or pipe and a tune peculiar to each masseur. They travel, both men and women, in pairs or with a small child or elder person as a guide. Many are not wholly blind, but qualify to practice. Sometimes they work at home or in shops at various tasks during the day, making the evening work as a masseur a supplementary livelihood. Many Chinese hotels or lodging houses have masseurs regularly employed. A certain amount of illegal solicitation for prostitution is carried on by them as well as by the masseurs who travel a regular beat through the city streets."

15: U.S. Navy --26 [10] (no date) 1944 Formosans
116, 732, 743, 735, 177.73 Japanese
636.73

"There is a Government hospital for the insane at Taihoku. The general impression is gained, however, that the mentally deficient and the hopelessly crippled are not usually placed in institutions but are simply cared for in a haphazard fashion by their families. Occasionally such persons are found living or begging along the roads leading to popular temples and shrines."

4:Grajdanzev--173　　S-4　　(no date) 1942　　Formosans -1-2
116, 744, 759, 177.74　　Japan
636.74

"In all books and articles published under the auspices of the Japanese government the remarkable successes of the Taiwan government with respect to the health of the population are described, and there is no doubt that improvements took place in Taiwan after 1896—it would be strange if this were not so. More than 300,000 Japanese live there now and their health depends to an important degree upon the health of the surrounding population, especially in case of epidemic diseases. First of all, for the sake of comparison, we give the basic figures for Taiwan and Japan.

Number of Physicians, Dentists, etc. in Japan and in Taiwan, 1936

	Japan	Taiwan	
	1936	1936	1938
Physicians	61,799	1,834	1,983
Dentists	22,072	402	407
Pharmacists (yakusaishi)	28,156	190	213
Nurses	124,402	...	170
Midwives	61,732	1,744	1,796
Per 10,000 of population			
Physicians	8.8	3.4	
Dentists	3.1	0.7	
Pharmacists	4.0	0.3	

4:Grajdanzev--173 S-4 (no date) 1942 Formosans-2
116. 744. 759. 177.74 Japan
636.74

Nurses	17.7	0.3
Midwives	8.8	3.2

Source: Dainippon teikoku nenkan and Taiwan Jijo."

15: U.S. Navy --26 [6] (no date) 1944 Formosans
116, 741, 596, 177.74 Japanese
636.74

"The Japanese officially list 1,676 organizations or facilities for philanthropic and social welfare work in Taiwan. These include semi-official organizations such as 'Improvement of Village' associations, pawnshops, public markets, and others which under government supervison perform the work which would be financed elsewhere either through the government budget directly or through spontaneous private charity. There is less need for such organizations in a social system which is built on family units in which the individuals share and share alike."

15: U.S. Navy --26 [13]
116, 625, 556, 744, 177.74
636.74

(no date) 1944

Formosans
Japanese

"The Japanese policeman undertakes to instruct rural peoples in sanitation, housebuilding, religious observance and many other things elsewhere usually left to private initiative. Large-scale public works projects have raised the whole standard of health and public welfare. Extremes of wealth and poverty are not very apparent in normal times."

15: U.S. Navy--28 [2] (no date) 1944 Formosans
116, 744, 177.74 Japanese
636.74

"Compulsory house-cleaning as a public health measure is rigorously enforced by the Japanese. Towns and country districts are systematically organized for semi-annual house-cleaning days and cooperation is expected of everyone. The movable contents of every house and most shops must be taken out into the open air and the premises must be cleaned thoroughly. Before replacement a police inspection is obligatory, and a certificate of approval must be issued and posted at the door of each building."

15: U.S. Navy--28 [3] (no date) 1944 Formosans
116, 515, 735, 744, 177.74 Japanese
636.74

"General standards of personal cleanliness are not high, but the universal shabbiness must be attributed to poverty rather than to sheer neglect. The principles of elementary hygiene are not widely understood. The Japanese have been making some progress in establishing habits of public cleanliness and have been trying to introduce new measures of household hygiene (careful disposal of waste, daily bathing). The problem is very great, however, among six million people. Although general standards are lower than the average in America, they are as high as standards maintained in backward districts in the South or in city slums, and are infinitely better than standards existing among Chinese villages on the China coast across the Straits of Taiwan."

4:Grajdanzev--140 [4] S-4 (no date) 1942 Formosans
116, 654, 177.81 Japan
636.81

"Attention should also be paid to the considerable amounts spent by the government on research and investigation. A special institute has been established, which centralizes the research on the island and considerable sums are spent on research into new uses for natural gas, on sugar and sugar cane research, and on war industries."

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4:Grajdanzev--165　　S-4　　(no date)1942　　Formosans
116, 208, 563, 658, 871, 177.87　　Japan
636.87

"In the sphere of education the island has passed through two periods, one before 1919 and another since that year. Before 1919 the policy of the government with respect to the Chinese of the island was vacillating. It was ready to recognize the existence of the Chinese in the Japanese Empire as a separate entity, and was ready even to help them preserve their Chinese character. A special society was created to investigate Chinese customs and habits and these were to be taken into consideration in court practice. Later, the failure of this policy was recognized and the avowed end became the japanization of the inhabitants of the islands in order to make them loyal subjects of the Empire. The elementary school was to become the chief instrument in this japanization. While before that period the education of the Chinese was completely neglected, since then school expenditures have grown and the number of pupils has increased from year to year. But this does not mean that there is any equality between the Japanese and Chinese as regards education. A literate population is necessary for the japanization of the islanders. Knowledge of the Japanese language is indispensable for workers, policemen, for the paocheng, for clerks, for all who work for their Japanese rulers. It does not mean, that there is any intention of raising the Chinese to an equal position with the Japanese."

4:Grajdanzev--166-167 S-4 (no date) 1942 Formosans-1-2
116, 563, 872, 177.87 Japan
636.87

"The growth in the number of pupils in elementary schools may be seen from the following table:

Primary Schools in Taiwan

	1935	1936	1937	1938	1939
Number of schools	781	783	789	796	812
Number of teachers	6,255	6,659	7,239	7,888	8,718
Number of pupils, 1,000	373.9	407.6	450.0	505.5	557.1
Number of pupils as percentage of children of school age	41.5	43.8	46.7	49.8	...
Graduates, 1,000	42.3	45.7	50.3	59.0	...

Source: Taiwan Jijo.

From this it appears that in five years the number of pupils in primary schools increased from 373.9 thousand to 557.1 thousand. About half the Chinese children of school age (8-14) are now in primary schools. This increase is partially due to the absorption of new pupils by schools, and partially to the fact that the schools have been increasing the length of the courses they offer from four to six years. If one takes into consideration the fact that during these six years the pupils must master thousands of characters as well as a foreign language and that most of the teachers are foreigners

4:Grajdanzev--166-167 S-4 (no date) 1942 Formosans-2
116, 563, 872, 177.87 Japan
636.87

(to them), it is clear that a six-year course is not a long one. These statistics do not include the schools for Japanese children. Theoretically there is complete equality in Taiwan and there are no special schools for the Japanese, but there are schools where instruction is carried on in the Japanese language. With the permission of the governor of the province Chinese may also be admitted to such schools, even if they do not know the Japanese language, but this permission is not given willingly. Many parents among the lower groups of Chinese [167] officials want to send their child to a Japanese school so that he or she will have a thorough knowledge of the language of the rulers and a better chance to get a higher paid job. But in 1936, out of 42,576 pupils in these schools, there were only 2,975 Chinese. There is another important fact with respect to the Japanese pupils; while in 1938 only fifty per cent of the Chinese of school age were in school, 99.4 per cent of the Japanese of this age were attending school in 1936."

4:Grajdanzev--167 [2] S-4 (no date) 1942 Formosans
116, 563, 873, 177.87 Japan
636.87

"A further important test of any system of education is the number of students in secondary schools and in universities. As was mentioned, literacy is a necessity under modern conditions, even in the colonies. But to give a secondary education and especially a university education to the colonial peoples *en masse* is quite a different proposition. On April 1, 1939, there were 5,125 Japanese and 4,117 Chinese in the Taiwan secondary schools for boys. It will be recalled that the number of Chinese on the island is almost twenty times as great as the number of Japanese, and the proportion between the children of the two groups is even greater. In the girls' secondary schools the situation is even less favorable to the Chinese—5,312 Japanese pupils as compared with only 2,541 Chinese (1939)."

15: U.S. Navy --21 [10] (no date) 1944 Formosans
116, 871, 177.87 Japanese
636.87

"The Japanese educational program calls for a great deal of physical training, marching, drilling, and calisthenics. Swimming, and judo and kendo (traditional Japanese military games) are also taught in all schools but are popular only among the Japanese."

15: U.S. Navy --25-26 (no date) 1944
116, 191, 875, 883; 177.87
636.87

Formosans
Japanese

"Sessions of the koshusho [MC: 'National Language Training Schools' established to teach Japanese to the Formosans.] are held in schoolrooms, public halls, special buildings built for the purpose, or private homes. Teachers are almost invariably Formosan-Chinese, usually members of the local young men's association who have been graduated at least from the primary schools. Quality of instruction necessarily varies greatly. A young Formosan-Chinese states that in some districts, members of the young men's association are particularly active and enthusiastic. In such cases, instruction and results at the training school may be satisfactory. In other districts there is little local interest and the quality of instruction is poor. Often the instructors themselves have an inadequate knowledge of Japanese. It is stated that occasionally a Japanese with earnest conviction to aid in the process of assimilation will volunteer [26] to teach. Such cases are extremely rare, however. Instructors receive no pay."

15: U.S. Navy--25 [6] (no date) 1944 Formosans
116, 191, 873, 177.87 Japanese
636.87

"There are 7,306 'National Language Training Schools' (Kokugo-koshusho) which exist for the purpose of teaching Japanese to adults. According to statistics as of March, 1938, the number of schools and students was as follows:

Table 21: Number of Language Schools and Students

	Number	Pupils	Annual Cost
Elementary training schools..............	3,454	34,865	¥1,576,975
Training schools.......	3,852	257,277	---
	7,306	292,142	

According to the Taiwan Government General, Bureau of Education, in 1939 the number of institutes remains the same, although the pupils now number 470,000."

15: U.S. Navy --26 (no date) 1944 Formosans
116, 873, 177.87 Japanese
636.87

"Texts used in the training schools are published especially for the purpose by the Taiwan Educational Association. The language used is extremely simple and few Chinese characters are introduced. The subject matter includes lessons on Japanese etiquette, polite phrases, Japanese holidays, and shrine worship, as well as consideration of Formosan village and rural daily life."

15: U.S. Navy--32 [5]
116, 467, 668, 871, 177.87
636.87

(no date) 1944

Formosans
Japanese

"Formosan peasant and trade unions were not organized along class lines, owing perhaps to the essential democracy of the Chinese guild system. Members of the middle ~~and well-~~to-do classes actively supported the peasants and workers in their agitation for better working conditions and attempted to work for legislation to that end. The biggest handicap to any such movement has been [illegible] lack of education for peasants and workers, especially of education which could be gained outside of the Japanese 'National Schools.'"